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THIS AGREEMENT (the “**Agreement**”), dated as of February/2,2016 is made between NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION (the “**Corporation**” or “**NYCEDC**”), a New York State Not-for-Profit Corporation, having an office at 110 William Street, New York, New York 10038, and HNY Ferry, LLC (the “**Operator**”), having an office at 353 West Street, New York, New York 10014.

WHEREAS, pursuant to the Amended and Restated Maritime Contract, dated as of June 30, 2015, as amended from time to time (the “**Maritime Contract**”) between The City of New York (the “**City**”) and the Corporation, the City has retained the Corporation to *inter alia* facilitate waterfront, maritime and other transportation development projects throughout the City; and

WHEREAS, in furtherance of those purposes, the Corporation and the City wish to promote the provision of city-wide ferry services that will increase access to waterfront communities that are currently underserved by public transportation, with the intention to not only serve residents and commuters, but tourists and leisure riders; it being contemplated that the connections made by the city-wide ferry service (“**CFS**”) operated pursuant to this Agreement will increase economic development, while providing the general public access to parks and recreation; and

WHEREAS, the Corporation heretofore released a publicly advertised Request for Proposals (“**RFP**”) for the implementation of CFS; and

WHEREAS, Operator submitted a proposal in response to the RFP, which included a request for “**Compensation**”, as defined in Article 3 herein, from the Corporation to undertake CFS; and

WHEREAS, the Corporation and Operator desire to set forth their agreement with respect to the establishment and operation of CFS;

NOW, THEREFORE, in consideration of the foregoing and the covenants of the parties set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1

CONDITIONS PRECEDENT TO COMMENCEMENT OF TERM

Section 1.01 Conditions Precedent. This Agreement is effective as of the date hereof (the “**Effective Date**”), but its term shall not commence, and no rights and obligations set forth herein shall arise with respect to one or another of the parties, until all of the following conditions precedent (the “**Conditions Precedent**”) shall have been satisfied or waived by the Corporation:

- (a) the City shall have within thirty (30) days of the Effective Date actually made available to the Corporation any necessary funds (the “**Funding**”) for the CFS;
- (b) all the necessary corporate review and approvals of the Corporation (including, without limitation, approval by the Corporation’s Executive Committee) and all the necessary governmental review and approvals prerequisite for the Corporation executing this Agreement shall have been obtained, including, but not limited to, satisfactory VENDEX and/or Background Questionnaire review (*i.e.*, no material derogatory information is revealed during the VENDEX and/or Background Questionnaire review such that the Corporation or the City would generally not do business with such entity);
- (c) the Operator shall have submitted evidence of its ability to obtain insurance coverage, satisfactory to the Corporation, in its sole discretion, in accordance with the terms of Article 6 hereof;

(d) the Operator shall have provided a Staffing Plan approved by the Corporation, which such approval shall be granted in the Corporation's reasonable discretion (to be attached hereto as Appendix M);

(e) the Operator shall have provided a Vessel Acquisition Plan approved by the Corporation, which such approval shall be granted in the Corporation's sole discretion (to be attached hereto as Appendix G, Exhibit 1); and

(f) the Operator's parent company shall have provided a corporate guaranty with respect to the Operator's obligations to perform the Services hereunder, in form and substance satisfactory to the Corporation in its sole discretion (to be attached hereto as Appendix E); and

(g) the Operator shall have provided two itemized lists of proposed cost savings approved at the Corporation's reasonable discretion, including without limitation, a reduction in the "**Fuel Cap**" (as hereinafter defined), in connection with potentially locating the "**Homeport**" (as hereinafter defined) at either Brooklyn Navy Yard ("**BNY**") or Brooklyn Army Terminal ("**BAT**") (BAT, BNY or any mutually agreed to Homeports directly provided by the Corporation, a "**City Homeport**"). Cost savings from homeporting at City Homeport shall be hereinafter referred to interchangeably as the "**City Homeport Cost Savings**").

Section 1.02 Outside Conditions Date. In the event that any of the Conditions Precedent are not satisfied (except to the extent that such failure to satisfy a Condition Precedent is solely caused by the Corporation) or waived by the Corporation at its sole discretion within 6 months following the Effective Date ("**Outside Conditions Date**"), then the Corporation may serve the Operator with a thirty (30) day notice to cure and in the event Operator fails to cure (or such other cure period, if cure requires more than thirty (30) days, such period to be determined in the sole discretion of the Corporation), then the Corporation may terminate this Agreement upon thirty (30) days' written

notice to the Operator, and the parties shall not have any rights, duties or obligations hereunder (unless otherwise mutually agreed to in writing). Notwithstanding the foregoing, in the event that the Corporation anticipates that the Conditions Precedent will not be fully satisfied or waived by the Outside Conditions Date, the Corporation may elect in writing to extend the time to perform up to 18 months beyond the Outside Conditions Date, provided that such written notice is given to the Operator not less than ten (10) days prior to the Outside Conditions Date. To the extent that the Corporation has authorized the Operator to execute contracts to acquire Vessels, the Corporation shall be obligated to comply with the provisions of 3.02(A) and 4.02.

ARTICLE 2

GENERAL TERMS AND CONDITIONS

Section 2.01 Services.

A. The Corporation hereby retains and engages the Operator and the Operator agrees to provide ferry transportation services (the “**Services**”) in accordance with all of the provisions of this Agreement, including, without limitation, all Appendices hereto and the “**Plans**” to be attached hereto (as such term is hereinafter defined), which are hereby incorporated and made a part of this Agreement. The Operator agrees to provide the Services on the routes identified in Appendix A (all such ferry landing locations shall be collectively referred to herein as the “**Landing Sites**” and each as a “**Landing Site**”). The Operator shall be responsible for providing all staffing, Vessels, and associated equipment and services necessary to provide all Services, except the Landing Sites.

B. In performing the Services, the Operator and its contractors, employees and agents shall comply with all applicable federal, state and local laws, rules, regulations, orders, and written policies, including, without limitation, the applicable written policies of the Corporation and New

York City Department of Transportation (“**DOT**”) and the provisions of the National Labor Relations Act (“**NLRA**”). The Services shall not interfere with the navigational operation of the Staten Island Ferry, the East River Ferry (the “**ERF**”) (except to the extent that the Corporation directs the Operator to perform some or all of the ERF service pursuant the terms set forth herein) or with law enforcement operations of the United States Coast Guard or any other governmental agency with jurisdiction over the Services or the Operator. The Operator’s personnel shall cooperate with personnel of the Corporation and the City at the Landing Sites. Except where the captain or a port captain of Operator has determined that a condition exists that makes it unsafe or impossible to operate the Vessel and subject to any Force Majeure Events, the Operator shall not make any changes in the Services without prior approval in writing from the Corporation, which such approval shall be granted in the Corporation’s sole discretion.

C. The Operator acknowledges and agrees that it has reviewed all of the provisions of this Agreement including, without limitation, the provisions set forth in Appendices and Exhibits attached hereto, and the Operator represents and warrants that it fully agrees to the same.

D. The Operator acknowledges and agrees that this Agreement does not convey or transfer a real property interest in any property owned or operated by the City or the Corporation, nor does it provide any authorization to enter onto any of the Landing Sites or to perform the Services. Prior to performing the Services, Operator must obtain all required permits and authorizations from the applicable federal, state and/or local authorities, including, without limitation, any required permissions or authorizations to enter onto any of the Landing Sites (the “**Site Access Agreements**”), provided, however, that if all necessary Site Access Agreements cannot be obtained, the Services shall be modified accordingly at the reasonable discretion of the Corporation. The Corporation shall reasonably coordinate with the Operator in obtaining the Site

Access Agreements; provided, however, that the Operator, in a timely manner, shall apply for and fulfill all requirements for the issuance of all Site Access Agreements required for the performance of its obligations under the Operating Agreement. The Operator shall be responsible for the payment of any Landing Fees charged in connection with the Site Access Agreements, and such payments shall be reimbursed by the Corporation in addition to the Compensation. Any Landing Fees to be charged (and reimbursed by the Corporation) in connection with Site Access Agreements between the Operator and a non-City agency shall be subject to the Corporation's prior approval of said Landing Fees.

E. The Operator has represented to the Corporation that it has access to a Homeport that can be used for the CFS at no additional cost to the Corporation beyond the Compensation identified in Appendix A – Exhibit 4, and the Corporation has materially relied upon such representation in entering this Agreement. The Corporation has ninety (90) days from the Commencement Date hereof to provide for and direct the Operator in writing to use an alternate Homeport located in the City (a City Homeport, as previously defined) for the CFS (“**City Homeport Notice**”). If the Corporation directs the Operator to use a City Homeport, (and such City Homeport is being provided at no capital expense to the Operator), then the Homeport Component Fee and the City Homeport Cost Savings (including, without limitation, a lowering of the Fuel Cap) shall be removed from the Compensation commencing the earlier of (a) fifteen (15) days after the first Vessel homeports at the designated City Homeport and (b) six (6) months after the date of the City Homeport Notice. It is contemplated that in the event that the Corporation provides the Operator with a City Homeport, the Operator's access to the City Homeport shall be pursuant to a separate access license or other occupancy agreement to be mutually agreed upon by the parties. The Compensation shall be increased to cover any access fees attributed to the City

Homeport, if applicable. “**Homeport**” is defined as a marine support facility out of which a Vessel or Vessels are based (as such term “Vessel” is defined in Section 2.04(A)), which may include permanent berthing, fueling, maintenance, repair office and crew facilities other ancillary facilities).

F. Within sixty (60) days of the Effective Date, the Operator shall provide a Standard Operating Procedures Plan (“**SOP Plan**”) for the “**Ferry Route**” (as defined in Appendix A) with the earliest “**Route Start Date**” (“**Route Start Date**” or “**RSD**” as defined in Appendix A), for the Corporation’s initial review and comment. The Corporation will provide comments thereto within fifteen (15) days upon receipt. The Operator shall have thirty (30) days following receipt of the Corporation’s comments to incorporate such comments and provide a final draft of the SOP Plan for the Corporation’s approval, such approval to be granted in the Corporation’s reasonable discretion (such plan to be later attached hereto as Appendix N);

Section 2.02 Term and Time for Performance of Services.

A. The Term of this Agreement shall commence upon the date that is five (5) days following satisfaction or waiver of all Conditions Precedent, the actual date of commencement hereinafter referred to as the (“**Commencement Date**”), and the initial term (“**Initial Term**”) of the Agreement shall be six (6) years from the earlier of (i) Route Start Date of the first Ferry Route (“**Initial Expiration Date**”), as such Ferry Routes are defined in Appendix A and (ii) July 1, 2017, subject to a day-for-day toll of the Outside Conditions Date or the Expiration Date of this Agreement, as the case may be (“**Toll Period**”), caused by litigation attacking the award of this Agreement, only to the extent that and for so long as the Corporation elects, at its sole option, not to provide funding as provided in this Agreement, but in the event that the Corporation elects not to provide such funding and such Toll Period extends beyond 180 days, the Corporation shall have

the right to terminate this Agreement in its sole discretion upon 30 prior days' notice to the Operator. The Corporation shall provide written notice to the Operator of the Commencement Date, which notice shall be final and binding on the Operator provided such date is determined in accordance with this Agreement.

B. The Corporation, at its sole option ("**Renewal Option**"), may elect to renew this Agreement for one additional, five-year period ("**Renewal Term**") on the same terms and conditions as the Initial Term, except for the following: (1) Ticketing Fees, (2) Fuel Costs, and/or (3) Fuel Contracts, which such modified terms must be mutually agreed to between the Operator and the Corporation. The Corporation shall provide the Operator written notice of its exercise of the Renewal Option not less than 180 days prior to the Initial Expiration Date. The date of expiration or the earlier termination of this Agreement as hereinafter provided shall be referred to as the "**Expiration Date**".

C. Each 12-month period falling within the Term measured initially from the Commencement Date shall be referred to as a "**Service Year**," provided that if the Commencement Date occurs on a date other than January 1st, the first Service Year shall include the (partial) calendar month in which the Commencement Date occurs plus the immediately succeeding calendar months until December 31st. The tasks and responsibilities of the Operator (see Appendix A, Exhibit 1) are divided into four "Phases" throughout the Term of this Agreement as follows:

(1) *Implementation Phase.* Upon the Effective Date of this Agreement, the Operator will timely proceed to commence the planning and provisioning of major project elements.

(2) *Route Pre-Launch Phase.* Commencing sixty (60) calendar days prior to the agreed upon RSD for each Ferry Route, the Operator must give notice to the Corporation that the particular Ferry Route has entered the Pre-Launch Phase and immediately begin or continue diligently pursuing each of the items noted below. At the conclusion of the Pre-Launch Phase for each such Ferry Route, the Operator shall have:

- a) Acquired and/or provisioned Vessels, Ticket Vending Machines (“**TVM**”), Digital Information Displays, and all other Operator-supplied equipment necessary to deliver the Services (collectively, the “**Service Elements**”).
- b) Fully installed, tested and validated all Service Elements.
- c) Hired and trained all necessary staffing to fulfill its obligations under the Agreement.
- d) Obtained the Corporation’s approval of any outstanding SOP Plan pertaining to that Route.

(3) *Operations Phase.* Commencing on the RSD for any individual Ferry Route, such specific tasks and responsibilities of the Operator during the Operations Phase that are set forth in the Service Plan (see Appendix A) shall be performed by Operator. During the initial six months of the Operations Phase (the “**Initiation Period**”) the Operator and the Corporation shall fine tune and finalize the schedules, headways and elements to assure the Operator’s ability to satisfy the On-Time Service Standards (See Appendix C) for each Ferry Route taking into account actual performance in light of proven Vessel capability and navigational limitations, if any; seasonal impacts on punctuality and ridership, including the requirements of any collective bargaining

agreement(s); embarkation and disembarkation times and logistics; the final determination as to any modification to the schedules being at the Corporation's reasonable discretion.

(4) *Transition Phase.* Upon the expiration or earlier termination of this Agreement (any such termination for cause shall be subject the applicable Cure Period, if any, as set forth in Article 4), the Operator will perform a series of activities to shut-down or transition the Service ("**Transition Actions**"). If the Transition Actions begin due to expiration, the Transition Actions shall occur over a 90-day period preceding the expiration date. Otherwise, the Transition Actions should occur over a 90-day period that begins as of the date all notice and cure periods have expired in connection with such Termination Notice. The Corporation has certain purchase rights and obligations as described herein, and the parties shall work together to effectuate a transfer of title to the Vessels to the Corporation, including to create any other necessary document(s), including without limitation, the USCG-1340 Vessel Bill of Sale ("**Bill of Sale**"), to effectuate and memorialize the transfers of assets in connection with such purchase rights. The substantial form of the Bill of Sale shall be attached hereto as part of the Vessel Acquisition Plan (see Appendix G – Exhibit 1). All of the Corporation's intellectual property as used by the Operator in connection with the Services shall also be returned to the Corporation and/or other respective owner, or as otherwise directed by the Corporation in an orderly manner (including, without limitation, any social media accounts, URLs, and Sponsorship and Branding elements) in accordance with the further provisions of this Agreement.

Section 2.03 Authority of the Corporation.

The Operator's performance under this Agreement shall conform to the Services requirements set forth herein and, where practicable, incorporate industry best practices of private

operators that provide the same or similar services. The Corporation shall have the right to review and approve the Operator's compliance with the provisions of this Agreement, and such approval shall be a condition precedent to the right of the Operator to receive any Compensation. The Corporation and any other person or agent duly authorized to act for and on behalf of the Corporation shall not by virtue of approving the Operator's compliance with the provisions of this Agreement as set forth in this Section 2.03, be liable in any manner to the Operator, except to the extent that there is gross negligence or willful misconduct. Unless otherwise provided herein, the Corporation shall act reasonably and without delay in exercising its authority and discretion under this Agreement.

Section 2.04 Equipment; Landing Sites.

A. All materials and equipment which are necessary for the Operator to provide the Services, unless otherwise specified herein (*e.g.*, Landing Sites) shall be provided by the Operator, and such qualified expenses as described in Appendix A- Exhibit 4 and incurred therefore shall be reimbursed by the Corporation as limited by and subject to the terms of Compensation under this Agreement. All materials and equipment shall include, but not be limited to, the vessels to be employed in delivering the Services, as each vessel is described in the to be attached Appendix G, Exhibit 1: Vessel Acquisition Plan (all the vessels so described are defined as the “**Vessels**”). The term “**Vessels**” as defined herein shall include spare vessels listed in the Appendix G, Exhibit 1 as described in the previous sentence (“**Spare Vessels**”) but shall not include other substitute vessels, emergency-use vessels, standby vessels or temporary vessels that might be required and employed in delivering the Services from time to time (the “**Interim Vessels**”). Such Interim Vessels will not necessarily be exclusive to the Services and consequently will not necessarily bear the complete Branding and Sponsorship logos and/or wraps. In accordance with Appendix G, the

Operator's use of such Interim Vessels shall be subject to the Corporation's prior approval, and the Corporation and the Operator shall meet and confer on a case-by-case basis as to how to adjust the requirements of this Agreement given such use of Interim Vessels, any final decision to adjust the requirements to be made in the Corporation's sole discretion. In the event that an Interim Vessel must be deployed on an emergency basis, the Operator shall promptly notify the Corporation and follow the procedure, *post facto*, to the extent feasible, set forth in the preceding sentence. Except as otherwise specifically provided in this Agreement, Vessels are exclusive to the Services, which means the Operator cannot use a Vessel or Vessels for any other purpose apart from the provision of the Services, except in the event of an emergency or with the written permission of the Corporation, in its sole discretion. Notwithstanding anything herein to the contrary, the Operator may use the Vessels in the event of an exigent circumstance, provided that such use is consistent with and does not interfere with Operator's obligations under this Agreement. For the avoidance of doubt, Spare Vessels in the Operator's fleet are exclusive to the CFS.

B. The Operator shall not be responsible for construction of the Landing Sites. If a Landing Site is unavailable as of the effective Route Start Date, the Corporation may elect, in its reasonable discretion to either (1) designate an alternative Landing Site or (2) otherwise modify the Services to exclude the unavailable Landing Sites, with no alternative Landing Site – each option (1) or (2) may be on a temporary or permanent basis.

Section 2.05 Services Subject to Maritime Contract.

This Agreement is subject to the terms and conditions of the Maritime Contract between the Corporation and the City, as it may be amended from time to time, provided that if any such amendment materially, adversely affects the Operator's ability to provide the Services in a manner substantially consistent with the provisions of this Agreement, the Parties may mutually

agree to modify the Agreement to preserve the purposes of this Agreement or either party may terminate this Agreement upon ninety (90) days' prior notice to the other party. The Operator acknowledges that it has reviewed said contract and agrees to comply with said contract with respect to the Services, and agrees not to take any action or fail to take any action that could cause the Corporation to breach said contract. In addition to any other indemnification obligations of the Operator as set forth in this Agreement, the Operator shall have the obligation to defend, indemnify and hold the Corporation and the City harmless from any claim, liability or judgment to which the Corporation may be subject because of any such action or failure to act which fails to comply with the Maritime Contract. Provided that the Operator shall not, as a result of any action by the City, incur any increased or greater liability than the Operator has to the Corporation pursuant to the terms of this Agreement, the City shall be a third party beneficiary to this Agreement and shall have a direct cause of action against the Operator in the event that any claim be made or any cause of action be brought against the Corporation or the City or if the Operator breaches this Agreement.

Section 2.06 Meetings.

The Operator shall be available to meet with the Corporation as often as reasonably necessary to effectively perform the Services. The Corporation shall be available to meet with the Operator as often as reasonably necessary to enable the Operator to effectively perform the Services.

Section 2.07 Intentionally Omitted.

Section 2.08 Definition of "business days".

For purposes hereof, "business days" shall mean Mondays through Fridays that are not Federal Holidays or the Friday after Thanksgiving Day; "**Federal Holidays**" means federal

holidays observed during weekdays as established from time to time under Federal law (Title 5 U.S.C. 6103, as it may be amended), including New Year's Day, Birthday of Martin Luther King, Jr., Birthday of George Washington (*i.e.*, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

ARTICLE 3

COMPENSATION

Section 3.01 Compensation.

A. The Corporation shall pay to the Operator, and the Operator agrees to accept, in full consideration for performance of the Services, the compensation (the "**Compensation**"), payable as set forth below and in Appendix A, Exhibit 4 attached hereto (subject to certain adjustments as set forth in this Agreement). Except to the extent that the Corporation may impose certain obligations that add to the Operator's "**Cost of Operations**" as explicitly set forth in the following sections of this Agreement: (i) Section 3.01 (C) (removal of Component Fees), (ii) 3.02 (A) (wind down costs), (iii) Section 3.05 (changes to Vessel Contracts), (iv) Section 4.02 (wind down costs) (v) Section 6.02 (modification of Services by Corporation), (vi) Section 11.02 (Discretionary Action Costs) (vii) 13.03 (Audit Costs), and for which the parties have agreed in writing that the Corporation will be obligated, such costs will be shared as provided in this Agreement, and the Operator is responsible for all costs and financial risks and liabilities beyond the Compensation.

B. Commencing on the first day of the Implementation Phase and ending on the RSD of the last Ferry Route to be launched, certain start-up costs (the "**Start-Up Costs**") associated with the Implementation Phase and Route Pre-Launch Phase shall be paid to Operator in monthly installments and/or reimbursements ("**Start-Up Cost Payments**") as set forth in the schedule attached hereto as Appendix A, Exhibit 4 and Appendix B. Notwithstanding the foregoing,

Start-Up Cost Payments, whether installment-based or reimbursement-based, shall only be paid in full for meeting the relevant milestone (“**Milestone**”) deadlines for delivery of the Services, as set forth in Appendix B. In the event that the Operator fails to meet a Milestone deadline for reasons other than the Corporation’s breach of its obligations hereunder, Start-Up Cost Payments contemplated in this subsection shall be reduced by the amounts indicated in Appendix B.

C. During the Operations Phase, the Operator shall be paid the annual Cost of Operations applicable to that “**Calendar Year**” (defined as January 1 - December 31) as set forth in Appendix A, Exhibit 4 on a monthly basis in twelve installments (to be pro-rated day-for-day for that portion of the Services (i.e. the number of Ferry Routes) in the Operations Phase in the event of a delay in a Ferry Route Start Date(s), as set forth in Section 3.06 below). Cost of Operations includes all cost categories except for Start-Up Costs, Fuel Costs and the Management Fee. The Corporation may choose, upon 90 days’ written notice to the Operator, to remove any of the following individual cost components (each a “**Fee**” as described in the table below, collectively the “**Component Fees**”) from the Cost of Operations and, at the Corporation’s sole option: i) directly provide (in-house or through a third-party provider) the corresponding Service element to the Operator and/or (ii) remove the corresponding Service element from this Agreement (and the obligation of the Operator) -- in each of the aforementioned case(s) the Cost of Operations payable to the Operator shall be reduced accordingly, and to the extent that the Operator incurs costs or expenses in connection with the Corporation’s removal of any of the Component Fees, the Corporation shall be responsible for (a) the costs that the Operator is obligated to pay pursuant to the terms of any approved subcontracts that the Operator has entered into in connection with any of the Component Fees and (b) any reasonable costs or expenses

associated with the termination of employees or winding down of Services associated with the Component Fees up to a maximum of \$50,000.

Component Fees	Description
Homeport Fee	Cost of Homeport for all Vessels in CFS
Fare Policy Fee	Cost of implementing the Fare Policy discounts detailed in Appendix A Exhibit 6 (V): Fare Policy
Shuttle Bus Fee	Cost of each “ Shuttle Bus Route ” (as defined in Appendix A – Exhibit 3)
Ticketing Fee	Annual cost of providing ticketing support services (exclusive of capital costs for ticketing system)
Vessel Usage Fee	In the event of a Vessel Purchase Call or Vessel Purchase Put the Cost of Operations shall be reduced by the amount of the Vessel Usage Fee as set forth in Appendix A – Exhibit 4. No payment of employee termination or wind-down costs shall be made in connection with the removal of the Vessel Usage Component Fee.

D. Subject to the pro-rata adjustments in the event of a delayed Route Start Date as set forth in Section 3.06, the Management Fee shall be that certain annual amount, as set forth on Appendix A, Exhibit 4, to be paid to the Operator for managing the Services in accordance with the provisions of this Agreement.

1. Twenty percent (20%) of the then applicable annual Management Fee, less any Assessments incurred as described in Appendix C, shall be paid within thirty (30) days following the close of each “**Calendar Quarter**” (defined as the three (3) months following each of January 1, April 1, July 1, and October 1) of each Calendar Year.

2. The final 20% shall be retained by the Corporation until the end of each Service Year, when an evaluation of on-time performance and Completed Trips as set forth below in Sections 3.01(D)(3), 3.01(D)(4), 3.01(D)(5) and 3.01(D)(6) will be calculated. In

the event that the Operator falls short of or exceeds its obligations as set forth herein, the amount of the Management Incentive will be adjusted based on Sections 3.01(D)(4) and 3.01(D)(5). This final 20%, after adjustments, is called the “**Management Incentive**”. The Management Incentive will be paid within 60 days following each Service Year in accordance with Appendix A – Exhibit 4.

3. Provided that the Operator has satisfied all of the following conditions over any Service Year: (i) attained “**Service Standards**” (as such term is defined in Appendix C) of 90% On-Time for the Initiation Period and thereafter 94% On-Time (the “**On-Time Standard**”) and (ii) achieved 96% Completed Trips for the first year following each RSD and thereafter 97% Completed Trip (the “**Completed Trip Standard**”) (as such terms “**On-Time**” and “**Completed Trip**” are defined in Appendix C), 100% of the Management Incentive shall be paid

4. If the Operator achieves Service Standards that correlate to at least 100% of the Management Incentive being paid, then the Management Incentive shall be additionally increased to include the amount of any prior reductions in the Management Fee as described in Section 3.01(D) above (and further described in Appendix C) during the Calendar Year.

5. To the extent that the Operator attains an (i) On-Time Percentage and a (ii) Completed Trip Percentage found in the schedules below, the Management Incentive shall be adjusted to be the lesser of the pay-out percentages as set forth in the following applicable schedules calculated using a straight-line interpolation to a 1/10th of a percent. The On-Time schedule is applicable beginning at the RSD; the Completed Trip Schedule is

divided into a period of one year following the RSD for each route; and a second period beginning two years after the RSD for each Ferry Route.

On-Time Percentage (at all times) <i>Goal 94%</i> <i>Default below 85%</i>	Percentage of Management Incentive Fee Paid Out
100%	105%
99%	104%
98%	103%
97%	102%
96%	101%
95%	100%
94%	100%
93%	98%
92%	95%
91%	90%
90%	85%
89%	80%
88%	75%
87%	70%
86%	60%
85%	50%

Completed Trip Percentage (During first year following each RSD): <i>Goal 96%</i> <i>Default below 90%</i>	Percentage of Management Incentive Fee Paid Out
100%	105%
99%	103%
98%	102%
97%	101%
96%	100%
95%	95%
94%	90%
93%	80%
92%	70%
91%	60%
90%	50%

Completed Trip Percentage (During second year following each RSD, and each subsequent year): <i>Goal 97%</i> <i>Default below 90%</i>	Percentage of Management Incentive Fee Paid Out
100%	105%
99%	103%
98%	102%
97%	100%
96%	95%
95%	90%
94%	85%
93%	80%
92%	70%
91%	60%
90%	50%

e.g., (1) If the Operator achieves an On-Time percentage of 94% and has 96% Trips Completed in the second year of a route, the Operator shall receive 95% of its Management Incentive and no additional adjustment shall be made. e.g., (2) If the Operator achieves an On-Time percentage of 92.5%, and has 99% Trips Completed in the second year of a route, the Operator shall receive 96.5% of its scheduled Management Incentive. e.g., (3) If the Operator achieves an On-Time Percentage of 90%, and has 93% Completed Trips in the first year of a route, the Operator shall receive 80% of its Management Incentive. All adjustments to the Management Incentive shall be applied as detailed in this Section 3.01(D)(5).

6. If the Operator, during any quarter, achieves Service Standards of less than 85% On-Time or (ii) achieved less than 90% Completed Trips, no Management Incentive shall be paid, such failure shall be deemed a default under this Agreement, and the Operator shall not be entitled to any Cure Period (as such Cure Period is defined in Section 4.01(A)). The Service Standards will be measured following each quarter and will reflect the previous quarter's performance.

E. The Corporation shall reimburse monthly “**Fuel Costs**” based on the actual amount of fuel consumption by Vessels providing the Services during the previous month as measured by a certified flow meter (or its equivalent, as determined at the reasonable discretion of the Corporation), and additionally certified by an officer of the Operator, such certification to include receipts for fuel purchased each month in connection with the Services, up to the annual gallons of fuel consumption cap amount (“**Fuel Cap**”) set forth in Appendix A, Exhibit 4. For the avoidance of doubt, any savings with respect to the annual Fuel Cap may not be “rolled-over” to the following years.

1. “**Fuel Costs**” shall include costs associated with the fuel purchase (including tax) as well as distribution and delivery. For avoidance of doubt, the Corporation will not reimburse Fuel Costs other than those associated with fuel consumed by the Vessels in providing the Services, and in no instance will fuel reimbursement include reimbursement for other than the Vessels and the Interim Vessels, in accordance with subsection (5) below.

2. The Operator will enter into contracts for: (a) Fuel distribution; and (b) Fuel purchase and delivery, (collectively, the “**Fuel Contracts**”, the substantial forms of which are to be attached hereto as Appendix D). The Fuel Contracts shall set maximum prices to be paid for fuel distribution and delivery (“**Fuel Delivery Costs**”). The maximum price to be reimbursed by the Corporation for Fuel Delivery Costs, as limited by the Fuel Cap, is shown in Exhibit D. The Fuel Contracts shall cover the Initial Term of this Agreement (and the Renewal Period, if applicable), and are subject to the review and approval of the Corporation, such approval to be granted in its sole discretion.

3. The Operator shall establish specifications for fuel quality standards, delivery method, schedule, fueling location and other details of the Vessel fueling program, which shall be subject to the Corporation's reasonable approval thereof. Any proposed material modification to the Fuel Contracts attached hereto as Appendix D or change in fuel supplier shall be mutually agreed to in writing between the Corporation and the Operator and attached to this Agreement as an Addendum.

4. All Fuel Costs in excess of required reimbursements to the Operator for gallons of fuel actually consumed up to the Fuel Cap, are the sole responsibility of the Operator, without any adjustment to the Compensation (and no "roll over" of savings is permitted). It is contemplated that the parties shall mutually agree to adjust the Fuel Cap, temporarily or permanently, as the case may be, in connection with any material change to the Services as directed by the Corporation.

5. Notwithstanding the foregoing paragraph Section 3.01(E)(1) above, reimbursement requests for Fuel Costs in connection with Interim Vessels shall be determined on a case-by-case basis, at the reasonable discretion of the Corporation and subject the requirements set forth in Section 8.02(G). No reimbursements for fuel used by Interim Vessels used in connection with the CFS shall be made without the Corporation's receipt of an invoice that includes a calibration for the fuel flow meter associated with such Interim Vessel.

F. The Corporation shall have sole discretion in making any adjustment in the Base Fare, which is \$2.75 as of the Effective Date. The Operator shall not be entitled to any increase in the Compensation in connection with an increase to the Base Fare, if the Corporation increases the Base Fare **(a)** to reflect (up to) the then current Metropolitan Transportation Authority ("MTA")

“Single Ride Ticket” fare (as such fare is established by the MTA; See www.mta.info for Single Ride Ticket fare listing) or **(b)** to reflect the lesser of **(i)** (up to) the cumulative, compounded percentage increase in the Consumer Price Index – Urban Wage Earners and Clerical Workers – NY Metro – Transportation Index, as such cumulative percentage increase is measured for the period from the Effective Date to the date of the Corporation’s then current election to increase the Base Fare and **(ii)** (up to) a 2.5% annual compounded increase to the Base Fare measured for the period from the Effective Date to the date of the Corporation’s then current election to increase the Base Fare. If the Corporation elects to increase the Base Fare above the amounts specified in (a) or (b) above and, as a result of such Base Fare increase, ferry ridership is decreased consistently by more than ten percent (10%) over a 120-day period, as adjusted for seasonal ridership fluctuations, the Operator may request in writing, within thirty (30) business days of the close of such 120-day period, that the Corporation pay the Operator for the economic losses due to lost revenue of the Operator. The Corporation shall not be required to consider any late requests for additional payment or honor late notifications with respect to this paragraph. Notwithstanding the foregoing, if the Corporation elects to increase the Base Fare, as provided herein, the Corporation will retain all revenue associated with the increase, which may be done pursuant to Section 3.07 Corporation’s Right to Offset, below.

G. Notwithstanding anything to the contrary herein, once all Ferry Routes, as described in Appendix A, are in Operation phase, and provided the optional East River Route has been activated as contemplated herein, if all fare-box revenue received directly by the Operator falls below \$8,250,000 (“**Fare-Box Revenue Threshold**”) in any given Service Year that includes all Ferry Routes described in Appendix A in Operation Phase (as certified in writing by an officer of the Operator and confirmed by an independent audit as provided for in Article 8, Financial

Reporting), the Corporation shall increase the Compensation to the Operator by the amount of the difference between the Fare-Box Revenue Threshold and the total amount of fare-box ticket revenues received directly by the Operator. If the East River Route has not been activated, the Fare-Box Revenue Threshold shall be \$4,400,000. There shall be no applicable Fare-Box Revenue Threshold until at least five Ferry Routes are in Operation phase for no less than twelve months.

H. The Operator hereby acknowledges that any request for reimbursement or other invoice for payment to the Corporation will take no longer than sixty (60) days to process and provide for payment to the Operator (provided that the Operator has submitted full and complete paperwork in connection with such payment request and no requested amount is in dispute). Payment to the Operator by the Corporation within such sixty (60)-day time period shall be considered timely or an "on-time" payment with respect to this Agreement provided that such payment is not delayed beyond sixty (60) days. Notwithstanding anything to the contrary herein, the Corporation will take no longer than forty-five (45) days from receipt of reimbursement requests with respect to making payments for Fuel Costs, provided that the Operator has submitted full and complete paperwork in connection with such payment request and no requested amount is in dispute.

Section 3.02 Availability of Funding; Limitation on the Corporation's Obligation to Pay Operator for Services.

A. Notwithstanding and in addition to any other provision of this Agreement, if there shall be a reduction of the Funding, for any reason whatsoever, then, the Corporation, in its sole discretion, may terminate this Agreement upon ninety (90) days' prior written notice to the Operator, and, upon such termination, the Corporation shall (i) discharge its obligation to pay the

Operator such Compensation due and payable to the Operator hereunder as of the date of such termination with such Funding as has actually been released and made available to the Corporation by the City for payment hereunder and (ii) reimburse the Operator for (a) the costs that the Operator is obligated to pay pursuant to the terms of any approved subcontracts (including collective bargaining agreements) that the Operator has entered into in connection with any of the Services, and (b) any reasonable costs or expenses associated with the termination of employees or winding down of Services up to a maximum of \$50,000. All payments to the Operator are subject to the other terms, covenants and conditions of this Agreement.

B. The Operator understands and agrees that neither the Corporation nor the City represents or warrants that the Compensation will be sufficient to cover the costs of undertaking the Services in accordance with this Agreement. The Operator agrees that it will be solely responsible for any costs and expenses in excess of the Compensation that may be incurred in undertaking the Services in accordance with this Agreement. Notwithstanding the foregoing, the Operator may request in writing to the Corporation payment for certain “**New Regulatory Costs**”, which such costs may include the material costs associated with Operator’s compliance with any “**Change in Law**” (as such term is defined in 4.01 (E)), but excluding any overhead, “non-direct” costs associated with such compliance. The Corporation, in its sole discretion, may elect to either make such requested additional payment or terminate this Agreement upon ninety (90) days’ prior notice to the Operator. Upon receipt of the Corporation’s notice of termination, the Operator may rescind its request for said additional payment in writing to the Corporation within (10) business days of receipt thereof, and the Corporation’s right to terminate this Agreement with respect to the Operator’s additional payment request shall be deemed waived in that particular instance. The Corporation shall not be required to consider any late requests for additional payment or honor late

notifications with respect to this paragraph. Notwithstanding anything to the contrary in this Section 3.02(B), the Operator shall be responsible on a *pari passu* basis for fifty percent (50%) of such New Regulatory Costs, up to an annual maximum expenditure by Operator of \$125,000.

Section 3.03 Corporate Guaranty.

The Operator's parent company shall provide a corporate guaranty with respect to the Operator's obligations to perform the Services hereunder, in form and substance satisfactory to the Corporation in its sole discretion (to be attached hereto as Appendix E).

Section 3.04 Revenue Distribution.

The Operator may retain all control and revenues associated with advertising sales, including, but not limited to, sampling, electronic, telecommunications, merchandise sales and other media inventory, and concession sales, including but not limited to: sundries, alcoholic beverage, ATM fees, photography and multi-media products, souvenirs, broadband access, etc., (the "**Operator's Sales and Media Agreements**") subject and subordinate to that certain Branding and Sponsorship Agreement and any corresponding Branding and Sponsorship License Agreement(s) as contemplated in this Agreement (See Article 9 hereof).

Fare-box revenues shall be allocated based on annual ridership numbers as follows:

- a. EDC Fare-box Participation between 3 million to 4.6 million full-fare riders: 0% of fare-box revenue each Calendar Quarter;
- b. EDC Fare-box Participation above 4.6 million full-fare riders to 5.5 million full-fare riders: 0% of fare-box revenue each Calendar Quarter;
- c. EDC Fare-box Participation above 5.5 million riders to 6.5 million riders (irrespective of whether such riders pay full, discounted or no fare): 50% of fare-box revenue from such riders each Calendar Quarter;

d. EDC Fare-box Participation above 6.5 million riders (irrespective of whether such riders pay full, discounted or no fare): 25% of fare-box revenue from such riders each Calendar Quarter.

To the extent that the Corporation is entitled to fare-box revenue, it shall be paid to the Corporation on a Calendar Quarter(ly) basis within 30 days of the close of each Calendar Quarter. EDC Fare-box Participation will be calculated on an aggregate annual basis each quarter, but will not be pro-rated. Participation payments shall only occur once the aggregate amounts indicated in (a), (b), (c), and (d) above are exceeded. For avoidance of doubt, if in the third quarter of any given Service Year, ridership is below 5.5 million at the beginning of the quarter and at 6.0 million by the end of the quarter, then participation payments shall be calculated and paid after the close of the third quarter for 500,000 passengers and no participation shall have been made in the first or second quarter of the year.

Section 3.05 Vessel Purchase by Corporation.

A. Vessel Purchase Call

The Corporation shall have the right, on 180 days' prior written notice to purchase all (but not less than all) the Vessels (the "**Vessel Purchase Call**") then providing Services, at any time after June 1, 2018, up to and including the date that is one year prior to the expiration of the Initial Term (for the avoidance of doubt, with respect to the Initial Term, said prior *notice* of the Corporation's exercise of the Vessel Purchase Call may be given at any time on and after December 1, 2017), and during the period commencing upon the first day of the Renewal Term, if any, up to and including the date that is one year prior to the expiration of the Renewal Term (for the avoidance of doubt, with respect to the Renewal Term, said prior *notice* of the Corporation's exercise of the Vessel Purchase Call may be given at any time on and after the date which is 180

days prior to the commencement of the Renewal Term), as set forth in this Section 3.05. The Corporation's notice of the Corporation's exercise of the Vessel Purchase Call shall be referred to as the "**Vessel Purchase Call Notice**".

Upon the issuance of the Vessel Purchase Call Notice, the Operator (or its designated affiliate vessel holding company) shall, within 30 days' of the date of such Vessel Purchase Call Notice, deliver to the Corporation a Bill of Sale for the Vessels for final review and approval (the substantial form of which is attached hereto as Appendix G- Exhibit 3) by the Corporation. Upon the purchase date (180 days following the date of the Vessel Purchase Call Notice), the Corporation shall make payment for the Vessels and the Bill of Sale shall be executed by the parties and subsequently timely filed with the appropriate governmental entities. Upon the exercise of the Vessel Purchase Call, the Operator shall cooperate with the Corporation to assure that the Services shall continue without interruption. For the avoidance of doubt, no employee termination or wind-down costs shall be paid in connection with the Vessel Purchase Call. As of the date of the Vessel Purchase Call Notice, the Cost of Operations shall be reduced by the amount of the Vessel Usage Fee as set forth in Appendix A – Exhibit 4.

B. Vessel Purchase Put

The Operator shall have the right, on one year's prior written notice, to obligate the Corporation to purchase all (but not less than all) of the Vessels (the "**Vessel Purchase Put**") then providing Services, at any time after the following dates have occurred: (i) the date of commencement of the Initial Term and (ii) the date that all the Vessels are in use providing the Services; *but in no event* earlier than twenty-four months after the Commencement Date of this Agreement (for the avoidance of doubt, the Operator shall not issue said one-year's prior written notice to the Corporation prior to the occurrence of the dates (i) and (ii) as set forth above), up to

and including the date that is one year prior to the expiration of the Initial Term and during the period commencing upon the first day of the Renewal Term, if any, up to and including the date that is one year prior to the expiration of the Renewal Term. The Operator's notice of the Operator's exercise of the Vessel Purchase Put shall be referred to as the **"Vessel Purchase Put Notice"**.

In order for the Operator to exercise the Vessel Purchase Put, the Operator must satisfy all of the following conditions on the date of the transfer of title: (i) any/each of the Vessels subject to the Vessel Purchase Put must be in use providing the Services on the date of the Vessel Purchase Put; and (ii) the Operator must have a current and valid Coast Guard Certificate of Inspection, as set forth in 46 U.S. Code § 3309 (a **"COI"**) for each Vessel; and (iii) each Vessel must meet all Service Standards and Vessel Requirements as described herein (Appendix G, Exhibit 2 Vessel Requirements (i) Particulars) unless such requirements were waived by the Corporation previously in writing. Notwithstanding the foregoing, the Corporation shall not be required to make full payment of the Vessel Purchase Price (as defined below) for such Vessels (as set forth in Section 3.05(E) below) and shall be entitled to apply a discount to the Vessel Purchase Price equal to the sum of (a) the Management Fees paid as of the date of transfer of title to the Vessel Purchase Price payment and (+) (b) 10% of the Vessel Purchase Price in the event that (i) the Operator is in default with respect to a material obligation of this Agreement; (ii) such default remains uncured after the applicable Cure Period; and (iii) in the event that the Operator disputes such default, a court of competent jurisdiction determines that such material default is valid.

Upon the issuance of the Vessel Purchase Put Notice, the Operator (or its designated affiliate vessel holding company) shall within 30 days' of the date of such Vessel Purchase Put Notice deliver to the Corporation a Bill of Sale for the Vessels for final review and approval (the

substantial form of which is attached hereto as Appendix G- Exhibit 3) by the Corporation. Upon the purchase date (1 year following the date of the Vessel Purchase Put Notice), the Corporation shall make payment for the Vessels, and the Bill of Sale shall be executed by the parties and subsequently timely filed with the appropriate governmental entities. Upon the exercise of the Vessel Purchase Put, the Operator shall cooperate with the Corporation to ensure that the Services shall continue without interruption. As of the Corporation's purchase (date due to the Vessel Purchase Put), the Cost of Operations shall be reduced by the amount of the Vessel Usage Fee as set forth in Appendix A – Exhibit 4.

For the avoidance of doubt, in the event that the Operator continues to provide the Services hereunder with the Corporation-owned Vessels following a Vessel Purchase Call/Put pursuant to this Agreement, the Operator shall continue to be responsible for all Vessel maintenance, overhauls, damage (apart from ordinary wear and tear), and USCG inspections, as set forth herein.

C. Vessel Purchase Obligation Upon Termination

In the event of the termination of this Agreement for any reason, then, at the request of Operator (such request shall be referred to as the “**VPOUT Notice**”), the Corporation shall be obligated to purchase all (and not less than all) of the Vessels that are providing Services as of the date of such termination (the “**Vessel Purchase Obligation Upon Termination**”) under the same provisions set forth in the preceding paragraph regarding the Vessel Purchase Put set forth in Section 3.05(B).

Notwithstanding the foregoing, the Corporation shall not be required to make full payment of the Vessel Purchase Price (as defined below) for such Vessels (as set forth in Section 3.05(E) below) and shall be entitled to apply a discount to the Vessel Purchase Price equal to the sum of (a) the Management Fees paid as of the date of transfer of title and (+) (b) 10% of the Vessel Purchase

Price in the event that: (i) the Operator is in default with respect to a material obligation of this Agreement; (ii) such default remains uncured after the applicable Cure Period; and (iii) in the event that the Operator disputes such default, a court of competent jurisdiction determines that such material default is valid. No employee termination or wind-down costs shall be paid in connection with the Vessel Purchase Obligation Upon Termination.

Upon the issuance of the VPOUT Notice, the Operator (or its designated affiliate vessel holding company) shall, within 30 days' of the date of such VPOUT Notice, deliver to the Corporation a Bill of Sale for the Vessels for final review and approval (the substantial form of which is attached hereto as Appendix G- Exhibit 3) by the Corporation. Upon the purchase date (1 year following the date of the VPOUT Notice), the Corporation shall make payment for the Vessels, and the Bill of Sale shall be executed by the parties and subsequently timely filed with the appropriate governmental entities. Upon the exercise of the Vessel Purchase Obligation Upon Termination, Operator shall cooperate with the Corporation to assure that the Services shall continue without interruption.

D. The Corporation's obligation to purchase the Vessels is conditioned upon the following: (i) Operator guarantees that the Vessels, at the time of delivery, are free from all encumbrances and maritime liens or any debts whatsoever; (ii) should any claims, which have been incurred prior to the time of delivery of the Vessels to the Corporation be made against the Vessel(s) after delivery, Operator shall indemnify the Corporation and hold the Corporation harmless against all consequences of such claims, (iii) the Operator shall provide an assignment of applicable warranties in connection with the Vessels and any third-party component parts installed in the Vessels (such warranties to be agreed upon during the Corporation's review of the

Operator's shipyard/shipbuilding contracts), and (iv) the Operator certifies that each Vessel being purchased by the Corporation has a current and valid COI.

E. Security Agreement

In the event that the Operator enters into any agreement to provide a security interest in the Vessels to a third party (a "**Security Agreement**"), such Security Agreement shall provide for simultaneous courtesy notice to the Corporation with respect to any missed payment and/or uncured defaults with respect to the Operator's payment obligations under the Security Agreement. The Security Agreement shall recognize the Corporation's purchase option and the Operator's put rights. Operator will include provisions in any Security Agreement to provide the Corporation with the right to cure any default for a period of a minimum of 60 days, unless such requirement is otherwise waived or approved in writing by the Corporation. Notwithstanding the foregoing the Operator shall use good faith efforts to provide the Corporation with the right to cure any default for a period of a 180 days.

F. Review of Vessel Contracts

The Operator shall submit the most current drafts of the "**Vessel Contracts**" (as defined hereafter) to the Corporation and its Qualified Representative (as defined below) for review and comment no later than 24 hours following the Effective Date of this Agreement, and the Corporation shall have fourteen (14) business days from the receipt thereof to provide initial comments and/or revisions to the Vessel Contracts (for the avoidance of doubt, such review and approval process period shall include the Qualified Representative's review of the same as described in the following paragraph). For the avoidance of doubt, if drafts of the Vessel Contracts are provided prior to the Effective Date of this Agreement, the Operator shall provide new, then-current drafts of the Vessel Contracts within 24 hours following the Effective Date. In

addition, the Operator must submit all near-final, but not executed, Vessel Contracts for review and approval by the Corporation, such approval to be granted in the Corporation's sole discretion, no later than twenty-five (25) days prior to the Operator's intended execution and/or acceptance date of the Vessel Contract(s), as applicable for (each of) the Vessel Contracts (for the avoidance of doubt, such review and approval process period shall include the Qualified Representative's review as described in the following paragraph). The Corporation will have twenty (20) days from the receipt of the near final Vessel Contracts to review and approve the near final Vessel Contracts (for the avoidance of doubt, such review and approval process period shall include the Qualified Representative's review of same as described in the following paragraph), such approval to be granted in the Corporation's reasonable discretion pursuant to the terms set forth herein. Any subsequent material modifications to the Vessel Contracts prior to the execution thereof shall require the Corporation's written approval, such approval to be granted in the Corporation's reasonable discretion.

The Corporation's review of the Vessel Contracts contemplated herein shall be referred to as the "**Contemplated Review.**" In the event that the Corporation fails to complete the Contemplated Review pursuant to the review periods set forth in this subsection F, such delay shall be referred to herein as a "**Review Delay.**" In the event that there is a Review Delay, the RSD for the Rockaway Route shall toll on a day-for-day basis equivalent to the number of days of the Review Delay.

The Operator agrees to work diligently and in good faith to address the Corporation's comments/revisions to the Vessel Contracts in a manner that is mutually agreeable to Operator and Corporation, and to the extent that such comments/revisions are reasonable and do not add costs, the Operator will incorporate such comments/revisions in the final Vessel Contracts. To the extent

that the recommendations add costs, the Corporation will have the option to pay additional Compensation to the Operator in which case the Operator will incorporate the comments/revisions in the final Vessel Contracts.

The Corporation reserves the right to have a “qualified” third party owner’s representative (a “**Qualified Representative**”) advise the Corporation with respect to the (i) Vessel Contracts, including without limitation, Vessel plans and specifications, (ii) shipyards, and (iii) Vessels throughout the construction process. For purposes of this paragraph, a “qualified” third party owner’s representative shall mean an individual with at least 5 years of experience in/with the commercial maritime industry and an understanding of shipbuilding, as such qualifications are determined in the Corporation’s sole discretion. The Operator agrees to work diligently and in good faith to address the Qualified Representative’s recommendations in a manner that is mutually agreeable to Operator and Corporation, and to the extent that such recommendations are reasonable and do not add costs, will incorporate such recommendations in the final Vessel Contracts. To the extent that the recommendations add costs, the Corporation will have the option to pay additional Compensation to the Operator in which case the Operator will incorporate the recommendations in the final Vessel Contracts. After the Vessel Contracts have been executed, any material change order or change of terms and conditions in connection with the Vessel Contracts shall be subject to the Corporation’s prior review and approval, such approval to be granted in the Corporation’s sole discretion. In the event that the Operator: (i) fails to comply with any material provision of the aforementioned review and approval procedures in connection with the Vessel Contracts (a “**Material Procedure**”); (ii) fails to incorporate a specification in the Vessel Contract that is required by the Qualified Representative or the Corporation with respect to a material element of a Vessel set forth in Appendix G – Exhibit 4 (a “**Material Element**”); or (iii)

obligates the Corporation to purchase the Vessels pursuant to Section 3.05(B) or 3.05(C) having failed to deliver Vessels that incorporate the Material Element(s) (subject to any applicable notice and cure periods (described below) and provided that the Corporation has authorized any applicable payments for any increased costs as provided herein (whether the result of the Operator's or the Corporation's recommendation)), then the Operator's rights as set forth in the Vessel Purchase Put and the Vessel Purchase Obligation Upon Termination above shall both be fully forfeited and extinguished provided that either (i) the Corporation has not waived its right with respect to such Material Element or Material Procedure, as the case may be, in writing to the Operator or (ii) the Corporation has provided notice and opportunity to the Operator to cure such failure to comply with such Material Element or Material Procedure, as the case may be, and within ten (10) days of receipt of said notice, the Operator shall have failed to cure such default. Notwithstanding the foregoing, the Operator shall be entitled to request that the Corporation review the Operator's reasons as to why the Operator believes the comments and/or revisions by the Corporation and/or Qualified Representative with respect to any Material Element are not reasonable, and the Corporation shall determine, in its reasonable judgment, whether the Operator must include such Material Element (the "**Operator's Appeal**"). Under no circumstances shall the Corporation be entitled to find that the Operator is not in compliance with the obligations hereunder in the event that (i) the Operator has gone through the Operator's Appeal and the Corporation or the Qualified Representative, as the case may be, has required the Operator to include such Material Element with which the Operator disagreed and (ii) such non-compliance with the Agreement is the result of the Operator's compliance with the requirements of this Section 3.05(F).

The Operator shall be given three (3) days' notice to cure (the "**Notice to Cure**") with respect to: (i) a request by the Operator for final approval of Vessel Contracts if the Corporation or its Qualified Representative conclude that the Operator did not comply with the Material Procedures; (ii) a request by the Operator for final approval of Vessel Contracts if the Corporation or its Qualified Representative conclude that the Operator did not incorporate a Material Element into a Vessel Contract; and (iii) a request by the Operator for final approval of a Vessel after delivery of such Vessel if the Corporation or its Qualified Representative conclude that the Operator did not incorporate a Material Element into such Vessel.

For purposes of this Agreement, "**Vessel Contracts**" shall mean the following: Vessel construction schedule, Vessel plans and specifications, shipyard contract/vessel construction contract, contracts with third parties for components to be incorporated into the Vessels (e.g. engines) and Security Agreement -- all of which are to be incorporated as part of Appendix G hereto upon finalization thereof.

G. Vessel Exercise Price and Vessel Purchase Price

The "**Vessel Purchase Price**" shall be calculated as follows:

(1) The Vessel Exercise Price shall be the actual cost (such actual cost to be described in the Vessel Acquisition Plan) of the Vessels that comply with Section 3.05, in the aggregate not greater than 115% of \$55,551,836.00 for 16 Vessels at 149 passenger capacity (or 115% of \$65,943,628.00 for 19 Vessels at 149 passenger capacity).

(2) The Vessel Exercise Price shall be individually calculated as of the date of the Vessel Purchase Call Notice, the Vessel Purchase Put Notice, or the VPOUT Notice, as applicable, for each Vessel based on the Book Value using a twenty-five (25) year useful life and a fifty percent (50%) salvage value. Each Vessel eligible for purchase will have a

then-current Exercise Price and the sum total of such Exercise Prices is referred to as the **“Vessel Purchase Price”**. Under no circumstance shall the Vessel Purchase Price exceed the Vessel Exercise Price indicated in paragraph 3.05(G)(1), which is the maximum price to be paid under any circumstance by the Corporation. If either of the Vessel Purchase Put, Vessel Purchase Call or Vessel Purchase Obligation Upon Termination is exercised, the Cost of Operations Payments due to Operator shall be further reduced as of the date of the Vessel Purchase Call Notice, the Vessel Purchase Put Notice, or the VPOUT Notice, as applicable, by the following amounts provided in Appendix A, Exhibit 4 (Vessel Usage Discounts). In Appendix A, Exhibit 4, Vessel Usage Discounts are calculated for Vessels with and without the Add Alternate Route. For the avoidance of doubt, if only some Vessels are purchased as described herein, the amounts in Appendix A, Exhibit 4 will be pro-rated accordingly. See Appendix A, Exhibit 4 for a schedule of the Vessel Purchase Price.

Section 3.06 Failure to Timely Commence Ferry Routes.

A. In the event that the Operator fails to commence any one of the Ferry Routes upon the designated Route Start Dates, for reasons other than the Corporation’s failure to perform its obligations hereunder, as set forth in the Service Plan subject to a day-for-day toll of the Route Start Date, and, correspondingly, the Outside Conditions Date and/or the Expiration Date of this Agreement, as the case may be, caused by litigation attacking the award of this Agreement, in each case, only to the extent that and for so long as the Corporation elects, at its sole option, not to provide funding as provided in this Agreement, but in the event that such Toll period extends beyond 180 days, the Corporation shall have the right to terminate this Agreement in its sole discretion upon 30 prior days’ notice to the Operator (Route Start Dates are listed in Appendix A),

then the following amounts shall be paid to the Corporation, not as a penalty, but as liquidated damages, within ten (10) days' of notice of such failure to timely launch the Services. (For the avoidance of doubt, there shall be no notice and cure period in connection with the Operator's failure to commence a Ferry Route within 26 days as of the respective RSD):

Failure to Timely Commence -- 2017 Route Start Date Liquidated Damages Schedule

- A. 1-5 Days beyond RSD \$10,000 per day
- B. 6-10 Days beyond RSD \$20,000 per day
- C. 11-15 Days beyond RSD \$ 40,000 per day
- D. 16-20 Days beyond RSD \$ 60,000 per day
- E. 21-25 Days beyond RSD \$ 80,000 per day
- F. At 26 days, failure to commence 2017 routes such failure shall be deemed an automatic default under this Agreement, and the Operator shall not be entitled to any further notice or an opportunity to cure.

Failure to timely Commence – 2018 Route Start Date Liquidated Damages Schedule

- A. 1-5 Days beyond RSD \$5,000 per day
- B. 6-10 Days beyond RSD \$10,000 per day
- C. 11-15 Days beyond RSD \$ 20,000 per day
- D. 16-20 Days beyond RSD \$ 30,000 per day
- E. 21-25 Days beyond RSD \$ 40,000 per day
- F. At 26 days, failure to commence 2018 routes such failure shall be deemed an automatic default under this Agreement, and the Operator shall not be entitled to further notice or an opportunity to cure.

Notwithstanding the foregoing, provided that the Operator commences the Services on a RSD as specified herein, the Operator shall, for the first six (6) months of any RSD, and with the Corporation's reasonable approval, be entitled to use Interim Vessels, provided that they are capable of operating safely and accommodating the contemplated passenger loads.

B. During the Operations Phase, the Operator shall be paid the annual Cost of Operations as part of the Compensation and the Management Fee applicable to the relevant Calendar Year as set forth in Appendix A, Exhibit 4; provided, however, that in the event that the Operator fails to commence any one of the Ferry Routes upon the designated Route Start Dates as set forth in the Service Plan (such Route Start Dates being subject to the Toll Period described in paragraph A above) for reasons other than the Corporation's failure to perform its obligations hereunder, payment for said Cost of Operations Amounts and Management Fee shall be pro-rated for each day of delay based on that portion of the Services (i.e. number of Ferry Routes) actually in the Operations Phase.

C. In the event of a termination for cause in connection with the Operator's failure to timely commence a Ferry Route, no employee termination or wind-down costs shall be paid.

Section 3.07 Right to Offset.

The Corporation shall have the right to offset any amounts owed to the Corporation by the Operator against any payments owed to the Operator pursuant to this Agreement. The Operator shall have the right to offset any undisputed amounts owed to the Operator (as evidence by a final adjudication by a court of competent jurisdiction that such amount is owed to Operator or written acknowledgement by the Corporation that such amount is undisputed) by the Corporation against any payment owed to the Corporation pursuant to this Agreement.

Section 3.08 Survival.

The provisions of this Article 3 shall survive the expiration or earlier termination of the Term.

ARTICLE 4

SUSPENSION, TERMINATION; ASSESSMENTS

Section 4.01 Termination Due to Acts of Operator.

A. Except as otherwise provided in this Agreement (*e.g.*, where the Agreement provides for a specific remedy for the Corporation in the event of a breach such as Assessments set forth in Appendix C), if the Operator fails to perform any element of the Services in accordance with the provisions of this Agreement, or breaches any of the terms, covenants or provisions of this Agreement or of the Site Access Agreements, or if any material representation or warranty made by the Operator in this Agreement shall prove to be untrue, or be otherwise breached, and such failure shall continue for a period of thirty (30) business days (“**Cure Period**”) after written notice thereof specifying such failure (except that failure to perform certain obligations in connection with the Operator’s Life Safety obligations in connection with the Services shall have a shorter Cure Period as set forth subparagraph (B) below) after written notice thereof specifying such failure, subject to Section 3.01(D)(6) and Section 3.06, the Corporation shall thereupon have the right to terminate this Agreement by giving notice in writing of the fact and the date of such termination to the Operator, and this Agreement shall terminate on the date set forth in said notice (if such failure by the Operator requires acts to be done or conditions to be removed which cannot by their nature reasonably be done or removed within such thirty-day period, in which case the Operator shall provide a plan, to the satisfaction of the Corporation, to cure the breach over a specified period of time. If the breach is not cured within this specified period of time the

Corporation may terminate this Agreement for default pursuant to the provisions of this paragraph). Notwithstanding the foregoing, if the termination is due to the Operator's failure to meet the requirements set forth in Article 3.01(D)(6) or Article 3.06 there shall be no Cure Period. Subject to the provisions of Article 2 and Article 3 hereof, the Operator shall receive equitable compensation for such Services as shall, in the reasonable judgment of the Corporation, have been satisfactorily performed by the Operator up to the date of the termination of this Agreement, such compensation to be fixed by the Corporation, subject to any rights of audit provided herein.

B. Notwithstanding paragraph (A) above, the Operator shall immediately cure any and all breaches of the Operator's Life Safety obligations (as such term is defined in Appendix A, Exhibit 2). In addition, the Corporation reserves the right, without prior notice to the Operator, to cure the Operator's breach of any Life Safety obligations and deduct any costs incurred by the Corporation in connection therewith from the Compensation.

C. Certain failure(s) to perform the Services shall, in addition to the rights and remedies set forth herein, be subject to the Assessments set forth in Appendix C, not as a penalty, but as liquidated damages.

D. The Corporation need not wait until the completion of the Services to seek the enforcement of its rights against the Operator if there has been a termination for cause, and no monies shall be due or payable to the Operator as of the date of a notice of termination for cause until the Transition Actions in connection with the Services are completed.

E. Notwithstanding the foregoing, the Operator shall not be responsible for the performance of the Services to the extent that such performance is excused in the case of a **"Force Majeure Event"**. A **"Force Majeure Event"** shall include any act, condition or event that (despite the Operator's reasonable efforts to mitigate or minimize the impact of such act, condition

or event) to the extent such act, condition or event is entirely beyond the reasonable control of the Operator, including: (1) any reasonable action taken by the Vessel or Interim Vessel captain or a port captain of the Operator to avoid unsafe conditions or danger where the Vessel or Interim Vessel captain or a port captain of the Operator has reasonably determined that a condition exists that makes it unsafe or impossible to operate the Vessel or Interim Vessel in accordance with the provisions of this Agreement and/or (2) any naturally occurring events such as landslides, underground movement, earthquakes, lightning, tornadoes, hurricanes, floods, epidemics, and other acts of God, weather conditions (except weather conditions as seasonal for the areas in which the Services are to be performed), river closures, or obstructions, and/or (3) restrictions by the Coast Guard or DOT, or (4) labor strikes not specific to the Services, and/or (5) lockouts or disputes not specific to the Services, and/or (6) enemy or hostile government action, and/or (7) civil commotion, and/or (8) terrorism or terrorist act, and/or (9) explosion, and/or (10) act of a declared public enemy, and/or (11) war, and/or (12) blockade or insurrection, and/or (13) riot or civil disturbance or revolution, and/or (14) sabotage, and/or (16) fire, and/or (17) and/or casualty, and/or (18) “**Change in Law**,” (as defined hereafter) only to the extent that any or all of the acts, events or condition 2-18 above prohibit the timely performance of the Services or make the performance of the Services impossible, but not including the Operator’s insolvency or financial condition, and only to the extent that such act, event or condition is not the result of the willful or negligent act, error or omission, failure to exercise reasonable diligence, or breach of this Agreement, *and provided that* Operator has notified the Corporation in writing within 48 hours of such Force Majeure Event. Notwithstanding the foregoing, any acts or omissions of the Operator’s subcontractors or suppliers shall **not** be considered beyond the reasonable control of

the Operator (and therefore not eligible for relief under this Section 4.01 (E)), unless such acts or omissions are a result of the enumerated Force Majeure Events set forth in (2) – (17) above.

For purposes of this Agreement, “**Change in Law**” means, the adoption, amendment, promulgation, issuance, modification, repeal or written change in administrative or judicial interpretation of any federal, state or local law, or admiralty or maritime law, or any code or regulation (“**Applicable Law**”), after the Effective Date, unless such Applicable Law was on or prior to the Effective Date duly adopted, amended, promulgated, issued or otherwise officially modified or changed in interpretation, in each case in final form, to become effective without any further action by any federal, state, multi-state, regional, maritime or local legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any official thereof having jurisdiction (a “**Governmental Body**”); or (b) the order or judgment of any Governmental Body issued on or after the Effective Date (unless such order or judgment is issued to enforce compliance with Applicable Law which was effective as of the Effective Date) to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the Operator; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence. It is specifically understood, however, that a Change in Law shall not include: (a) the issuance or non-issuance of orders of approval, permits, licenses, authorizations, consents, certifications, exemptions, registrations, rulings, entitlements and approvals issued by a Governmental Body of whatever kind and however described which are required under Applicable Law to be obtained or maintained (i) with respect to the Operator, in order to perform the Services required under the Agreement; and (ii) with respect to the Corporation, in order to construct the

Landing Sites; (b) adverse judgments or orders of any court or other Governmental Body resulting from litigation involving the Operator (unless the subject matter of such litigation is itself a Change in Law); or (c) a change in the nature or severity of the actions typically taken by a Governmental Body to enforce compliance with Applicable Law which was effective as of the Effective Date other than restrictions on Landing Sites and Vessels issued by the United States Coast Guard that suspend or limit navigation and operation because of security threats and corresponding maritime security (“**MARSEC**”) conditions.

Operator shall use its reasonable efforts to limit the delay or suspension of performance of the Services to that required by the Force Majeure Event, and shall take all reasonable steps to minimize delays or suspension of performance, while maintaining safe operating conditions. In the event of a Force Majeure Event, the Corporation shall not reimburse the Operator for any expenditures that either (i) the Operator could have reasonably avoided or (ii) the Operator did not actually incur during such Force Majeure Event. For example, if the Operator is excused from providing Services by reason of a Force Majeure Event and the Operator would reasonably be able to reduce labor costs, then the Corporation shall not be obligated to reimburse the Operator for such unnecessary labor costs. In addition, the Corporation shall not be obligated to reimburse the Operator for any costs that are reimbursed by insurance. The Term shall be subject to a Toll Period for every day that the Services cannot be substantially performed as contemplated herein due to a Force Majeure Event, for a maximum of 90 days in any single instance or a maximum of 180 days in total (*i.e.*, the sum total of all respective Toll Periods in connection with any and all Force Majeure Events shall not exceed 180 days). Upon the expiration of such maximum Toll Period, the Corporation may elect, in its sole discretion, to either further toll the Term or terminate this Agreement. If a Force Majeure Event results in a certain Landing

Site being unfit for the intended purposes herein, the Corporation may elect, in its sole discretion to either (1) designate an alternative Landing Site or (2) otherwise modify the Services to exclude the unavailable Landing Site, with no alternative Landing Site – each option (1) or (2) may be on a temporary or permanent basis (for the avoidance of doubt, upon the Corporation's reconfiguration of the affected Ferry Route(s) the Term shall cease to toll).

Notwithstanding the foregoing and subject to the Corporation's termination rights in Section 3.02(B) hereof, a Change in Law that results in New Regulatory Costs, but does not strictly prohibit the performance of the Services or make the performance of the Services impossible, shall not be considered a Force Majeure Event, if (i) the Corporation elects, in its sole discretion, to pay such New Regulatory Costs, which such payment by the Corporation, the parties hereby acknowledge and agree, would allow for the Operator's full compliance with the Change in Law, or (ii) the Operator elects in a writing to the Corporation to fully comply with the Change in Law and self-pay the New Regulatory Costs without further adjustment to the Compensation by the Corporation. Notwithstanding anything to the contrary in this Section 4.01(E), the Operator shall be responsible on a *pari passu* basis for fifty percent (50%) of such New Regulatory Costs, up to an annual maximum expenditure by Operator of \$150,000 and such expenditure by the Operator shall not be considered a Force Majeure Event.

Section 4.02 Termination/Suspension Related to Funding.

In addition to any other right of suspension or termination set forth in this Agreement, if there shall be a suspension, termination or reduction of the Funding and if the Corporation decides to terminate or suspend the Services, the Corporation shall so notify the Operator within 90 days of such suspension, termination or reduction of Funding and the Operator shall, and agrees to, cease to perform the Services as of the date set forth in such notice, which shall

not be sooner than two days after the delivery of such notice. Any such notice shall be a notice of termination of this Agreement only. If this Agreement is so terminated, the Operator shall not enter into any further binding obligations in connection with any Services to be rendered following the date specified in the notice. Notwithstanding the foregoing, in the event of such termination, the Operator shall receive equitable compensation for such Services as shall, in the reasonable judgment of the Corporation, have been satisfactorily performed by the Operator up to the date of termination of this Agreement, subject to the provisions of Article 2 and the payment provisions of Article 3 and Appendix A, Exhibit 4 of this Agreement, and to any rights of audit and setoff that may be available to the Corporation. Subject to the limitations on the Corporation's obligation to pay wind-down costs as set forth in Sections 3.01(C) and 3.02(A) and any offsets that the Corporation may have pursuant to Section 3.07, such equitable compensation shall include (a) the costs that the Operator is obligated to pay pursuant to the terms of any approved subcontracts that the Operator has entered into in connection with any of the Services, and (b) any reasonable costs or expenses associated with the termination of employees or winding down of Services up to a maximum of \$50,000.

Section 4.03 Effect of Notice of Termination.

On the Expiration Date set forth in any notice of termination (either from the Operator or from the Corporation) pursuant to this Article 4, the Operator shall cease operations under this Agreement and shall not be entitled to any additional Compensation for Services beyond the stated Expiration Date.

Section 4.04 No Release.

Termination of this Agreement, whether by expiration of its Term or otherwise, shall not release the Operator from any liability to the Corporation or from the Operator's

indemnification and other obligations under this Agreement that have not been specifically terminated pursuant to this Agreement.

Section 4.05 Survival; No limitation on Corporation's Rights.

Any and all obligations and/or liabilities of Operator and the Corporation accruing prior to the Expiration Date of this Agreement and then outstanding shall survive the termination of this Agreement. The provisions of this Article 4 shall be in addition to any other rights the Corporation may have under this Agreement, any applicable statute, any applicable agreement, or otherwise, in law or in equity.

Section 4.06 Termination by the Operator.

If the Corporation fails to pay the Operator its Compensation due and owing as agreed upon herein (and the Operator is not otherwise in default of this Agreement nor are any such Compensation amounts contested by the Corporation by reason of audit findings or otherwise or subject to offset by the Corporation pursuant to the terms of this Agreement), and such failure shall continue for a period of thirty (30) business days after written notice thereof specifying such failure (unless such failure to pay said Compensation amount requires acts to be done or conditions to be removed which cannot, by their nature, reasonably be done or removed within such 30-day period, in which case no such failure shall be deemed to exist as long as the Corporation shall commence the requisite performance or observance within such 30-day period and shall diligently and continuously prosecute the same to completion within a reasonable period), the Operator shall thereupon have the right to terminate this Agreement by giving notice in writing of the fact and the date of such termination to the Corporation, and this Agreement shall terminate on the date set forth in said notice. Notwithstanding the foregoing, in the event of such termination, the Operator shall receive equitable compensation for such Services as shall, in the reasonable judgment of the

Corporation, have been satisfactorily performed by the Operator up to the date of termination of this Agreement, subject to the provisions of Article 2 and the payment provisions of Article 3 and Appendix A, Exhibit 4 of this Agreement, and to any rights of audit and setoff that may be available to the Corporation.

ARTICLE 5

PERSONNEL AND SUBCONTRACTORS

Section 5.01 Personnel.

The Operator shall employ, or cause to be employed, at its own expense all personnel and retain all subcontractors as may be required to perform the Services, and shall be solely responsible for their work, compensation, direction and conduct during the performance of the Services pursuant to this Agreement, except to the extent provided in this Agreement. The Operator's personnel and subcontractors shall cooperate with the personnel of the Corporation and its designees, and, in the event the Operator's personnel fail to so cooperate, subject to any obligations of the Operator under applicable collective bargaining or other agreements or applicable laws, the Operator shall upon request of the Corporation relieve them of their duties. The experience and training of Operator's key personnel, identified as Terry MacRae, Michael Burke, and Cameron Clark, is a material inducement for the Corporation to enter into this Agreement. If the Operator substitutes any other personnel for such key personnel, the Operator shall assign persons of equivalent or better competence or experience and training. All personnel providing Services under this Agreement shall be employees or permitted subcontractors of the Operator and shall not be employees (or subcontractors) of the Corporation or the City.

Section 5.02 Subcontractors.

A. The Operator is authorized to enter into subcontracts (including collective bargaining agreements) as required for performance of the Services. Except with respect to emergencies, all subcontracts shall be subject to the prior written approval by the Corporation as to the subcontractor, the scope of services, and the individual(s) responsible for supervising the performance of the subcontractor's activities, which approval shall not be unreasonably withheld or delayed. For the avoidance of doubt, the chartering of a Vessel by the Operator to perform part of the Services shall be considered a subcontract, however the use of ancillary services generally available in the market (for example delivery services such as FedEx), shall not be considered a subcontract; provided however that any expenses incurred by the Operator in connection such ancillary services: (i) shall not exceed \$75,000 and (ii) shall not be eligible for reimbursement as a "wind-down" cost (See Section 3.01(C), Section 3.02 (A), and Section 4.02 hereof for circumstances that allow for wind-down costs). The Operator, and not the Corporation, is responsible for the work, acts and omissions of subcontractors. The Operator shall inform each subcontractor of the material terms and conditions of this Agreement relevant to the required performance of such subcontractor. All subcontracts (including, but not limited to, charter agreements) shall provide (i) that there is no privity of contract between the subcontractor and the Corporation or the City, respectively; (ii) that the Corporation and the City will not incur any liability by virtue of any act, omission, negligence, or obligation of the subcontractor or the Operator (including any conditions of unseaworthiness of the Vessels); (iii) that the subcontractor shall indemnify and hold harmless the Corporation and the City and their respective agents, employees, officials and officers against any and all claims, judgments or liability due to any act or omission of the subcontractor, its agents and employees, or due to any conditions of

unseaworthiness of vessels provided by such subcontractor and the Corporation and the City shall be named third party beneficiaries in the subcontract solely with respect to such indemnity with the power to enforce such indemnity; and (iv) that all work under the subcontract shall strictly comply with the requirements of this Agreement (including, without limitation, compliance with all of the operating procedures, safety measures, Branding and Sponsorship requirements (as defined in Article 9) as well as the customer service and ticketing requirements as set forth in this Agreement). If the Operator fails to include the provisions set forth in this Section 5.02 in any subcontract, the Operator hereby agrees to indemnify and hold harmless the Corporation and the City and their respective agents, employees, officials and officers against any and all claims, damages, awards, judgments, liabilities, expenses and/or fees incurred by or imposed upon the Corporation and the City and their respective agents, employees, officials and officers, including reasonable attorneys' fees, as a result of said failure.

B. The Operator shall provide the Corporation with a list of all subcontractors employed for the performance of the Services with contracts over \$25,000. The Operator will furnish each such subcontractor with qualification and background investigation forms (“**Investigation Forms**”) provided by the Corporation to the Operator, and shall cause each such subcontractor to submit the Investigation Forms in a timely fashion but in no event later than the commencement of the services performed by such subcontractor pursuant to its subcontract.

Section 5.03 Person in Charge.

The Operator identifies Cameron Clark, (the “**Principal**”) as the person who will have primary responsibility to supervise and coordinate the performance of the Services. Substitution of said person shall be made only with a person of equivalent or better competence based on experience and training. Failure to make the Principal available to the extent reasonably

necessary to ensure skillful and prompt performance of the Services shall be a material breach of the terms of this Agreement that shall be subject to the Cure Period.

The Corporation identifies Peter Flynt and/or the Executive Vice President of Asset Management as (the “**CFS Manager**”) as the person who will have primary responsibility to supervise and coordinate the performance of the Services. The Corporation may substitute said persons upon written notice to the Operator.

Section 5.04 Operator’s Commitment to Seek Labor Harmony.

The Corporation and Operator recognize the significant role a quality work force will play in the success of CFS. In awarding the CFS to the Operator, the Corporation considered the Operator’s demonstrated experience and qualifications including a record of recognizing the rights of its crews to avail themselves of the benefits and protections of the National Labor Relations Act (“**NLRA**”), 29 U.S.C. Section 151 et. seq., as amended, and the Rules & Regulations of the National Labor Relations Board (“**NLRB**”), 29 C.F.R., Subtitle B, Chapter 1. The NLRA includes the specific right of workers to petition for representation by a bona fide labor organization(s), as defined by the NLRA, 29 U.S.C. § 152(5), (a “**Labor Organization**”) which may seek to represent an appropriate bargaining unit of captains and deckhands employed by Operator (the “**Bargaining Unit**”). Operator hereby acknowledges that: (i) it is aware of the laws (“**Labor Laws**”) protecting the rights of its employees and of Labor Organizations; (ii) the Corporation has informed Operator that it must comply with such Labor Laws; and (iii) the Operator has agreed to comply with all applicable Labor Laws.

ARTICLE 6

PLANS

Section 6.01 Plans.

The Operator will perform the Services in accordance with the following “**Plans**” attached hereto as follows: (i) Vessel Acquisition Plan (Appendix G-1), (ii) Services Plan (Appendix A), and (iii) Support Services Plan (Appendix A, Exhibit 6). The Operator will create the following Plans in the course of the phases of this Agreement, subject to the Approval of the Corporation as described in Section 6.02 below, as follows: (i) Staffing Plan (Appendix M), and (ii) Standard Operating Procedures Plan (Appendix N).

Section 6.02 Review and Approval of Plans.

A. The Corporation shall have the right to review and approve all Plans, such approval to be granted in the Corporation’s sole discretion (“**Approval**”). (For the avoidance of doubt, the approval process for the Vessel Contracts shall be governed by Section 3.05 hereof.) The Corporation shall notify Operator of the Corporation’s approval or disapproval of the preliminary plans within twenty-one (21) days after receipt thereof. Upon approval by the Corporation, the Preliminary Plans shall constitute “**Approved Plans.**” However, if directed by the Corporation, Operator shall revise the Preliminary Plans in accordance with the directions of the Corporation, and until the Corporation issues its approval thereof, the Operator shall submit revised Preliminary Plans to the Corporation for its review, in each case, within seven (7) days after receipt by Operator of directions to that effect from the Corporation. In the case of each submission of Preliminary Plans to the Corporation for its review and approval, if the Corporation fails to direct Operator to revise the Preliminary Plans within said twenty-one (21) day period, and not less than five (5) days, and not more than ten (10) days prior to the expiration of such twenty-one (21) day

period, Operator asks the Corporation to issue its determination regarding the Preliminary Plans (pursuant to the notice provisions set forth in Section 13.10 of this Agreement), the Corporation shall be deemed to have given its approval thereto, and the Preliminary Plans shall constitute Approved Plans. All deadlines set forth in this Agreement shall be tolled on a day-for-day basis for each day that the Corporation is late in providing comments with respect to reviewing Plans, unless the Corporation waives in writing its right to review such Plans. The Operator shall provide at least 48 hours' notice of each deadline set forth in this paragraph. To the extent the Corporation adds a cost to the Operator's Cost of Operations as a part of the Corporation's right to modify the Services (unless such cost should have been included in Operator's budget), the Corporation shall provide funding for such increased cost. For example, if the Corporation changes the passenger requirement for a Shuttle Bus to 50 from 28 passengers, then the Corporation shall be obligated to pay the increased cost for such change and approval.

B. If Operator desires to materially modify the Approved Plans, the Operator shall submit the proposed modifications to the Corporation for its prior review and approval. The Corporation shall review the proposed changes as if such were an original submission of Preliminary Plans proposed under paragraph 2 above, and the provisions thereof governing such a submission shall apply.

Section 6.03 Corporation Modifications to Services Plan.

A. Annual Vessel-Service-Hours ("AVSH") are the total annual hours that Vessels are scheduled to travel while in revenue service, excluding deadheading or positioning. AVSH are based on the Service Plan (see Appendix A - Exhibit 4 attached hereto).:

B. The Corporation may require changes to the Services Plan (See Appendix A and Appendix A, Exhibit 5), including the addition or removal of Landing Sites. The Operator and the

Corporation shall meet to discuss any required changes and modifications to the Agreement, and any such changes and modifications to the Agreement may be made by the Corporation in the Corporation's sole discretion. Otherwise, the following terms and compensation shall be applicable:

(1) The Corporation may require the Operator to make changes to the Schedule or routes with no change in Compensation, as long as the Corporation provides the Operator with 10 days' notice and the total number of AVSH necessary for the changes are less than or equal to 1.03 multiplied by the baseline AVSH for that year. Notwithstanding the foregoing, there shall be no change to Compensation for certain changes described in Appendix A, Exhibit 5.

(2) As described in Appendix A, Exhibit 5, the Pilot Service Rate of \$400/VSH will be applied to the marginal increase in AVSH necessary for the changes, as long as a) the total number of AVSH necessary for the changes is more than 1.03 multiplied by the baseline AVSH for that year and less than or equal to 1.10 multiplied by the baseline AVSH for that year and b) the changes can be performed with a Vessel.

(3) As described in Appendix A, Exhibit 5, the Corporation may request the use of crewed Vessels or Interim Vessels from time to time for events or other one-time transport needs, which Operator will make available at the Charter Service Rate, which shall include crew, fuel, and Interim Vessel and mobilization costs. The Charter Service Rate is set forth in Appendix A, Exhibit 5. At its discretion, the Corporation may elect to use this service as revenue or non-revenue service. Onboard food and beverage, entertainment or other services shall be provided by Operator at prevailing rates.

(4) In the event that the Corporation requests the Operator to provide an Interim Vessel which is not under the control of the Operator, the Operator shall charter such Interim Vessel (a “**Third Party Charter Vessel**”) in accordance with the following procedure, as further set forth in Appendix A, Exhibit 5: (a) the Corporation shall provide a detailed list of its requirements for such Third Party Charter Vessel, including the scope of travel, the number of passengers, the date of travel and the amount of time such vessel is needed; (b) the Operator shall obtain bids from three potential Third Party Charter Vessel operators and present such bids to the Corporation; and (c) and the Corporation shall have sole approval regarding which, if any, bid it shall accept.

(5) For increases in service where the total number of AVSH necessary for the changes are greater than 1.10 multiplied by the baseline AVSH for that year or that require the introduction of an Interim Vessel or removal of a permanent Vessel(s), the Cost of Operations and Management Fee for that change in service will be negotiated.

(6) The Operator shall regularly update the Service Plan to reflect operational changes pursuant to the approval procedures set forth herein.

(7) In response to an exigent Life Safety Incident (as described on Appendix A – Exhibit 2) where the Plan modification and approval process cannot be reasonably accomplished using the standards set forth in Section 6.02, the Operator may use reasonable judgment to maintain Service and order.

C. Certain Definitions.

(1) “**Annual Vessel-Service Hours**” means the total number of revenue service Vessel-hours required to meet the Schedule, excluding layover, positioning and deadheading time.

(2) **“Schedule”** means the planned arrival and departure time of ferries on each **“Trip”** at each Landing. The Schedule must adhere to specific operating parameters as described in Appendix A such as minimum headway (the time between successive trips in the same direction at a specific landing), operating hours (departure of the first and arrival of the last trips), and total trip length (time from departure at first stop to arrival at last stop on a Ferry Route).

(3) **“Vessel Service Hour”** means each hour that a Vessel is scheduled to travel while in revenue service. This does not include hours for deadheading, positioning or layovers.

ARTICLE 7

Section 7.01 Review and Approval of Approved Plans and Vessel Contracts.

Operator understands and agrees that the Corporation shall not incur any liability, except as otherwise provided in this Agreement, to any Person for any good faith act or omission in connection with the review and approval of the Approved Plans or the Vessel Contracts, or failure to review or approve the foregoing in accordance with the provisions of this Agreement, and the Corporation's approval of the Approved Plans or the Vessel Contracts shall not be, or be construed or interpreted, or otherwise relied upon, by any Person as: (1) a representation, warranty or determination by the Corporation that the Approved Plans comply with all applicable rules, laws or regulations, or are structurally or architecturally sound or safe, or technically correct, (2) a waiver of any of the Corporation's rights, or (3) a release of Operator from any of its obligations under this Agreement. Notwithstanding the foregoing, any approval for documents other than the Approved Plans and the Vessel Contracts must be from the CFS Manager.

ARTICLE 8

REPORTING

Section 8.01 Reporting during Implementation/Pre-Launch Phases.

A. The Weekly Implementation & Pre-Launch Report will update the Corporation on the progress of Milestones leading to Route Start Dates, requests for information for the Corporation, and any material issue that may impact a Route Start Date. The Operator will develop the report format and submit for final Approval no later than 30 days after the Effective Date. The Operator and the Corporation will develop a mutually agreed upon due date/time for the weekly report.

B. The Operator will develop a real-time reporting solution that must support web and mobile applications (the “**Dashboard**”). At a minimum, the Dashboard must report the following: (a) live map with locations of in service Vessels, (b) daily and per Trip ridership by Vessel Routes and Shuttle Bus Routes, (c) Vessel Maintenance status, (d) fuel use per Vessel and (e) events that would impact operations (the “**Dashboard Information**”). The Dashboard Information elements identified as (c), (d) and (e) above shall be treated by the Corporation as confidential and proprietary information of the Operator, and shall not be disclosed to third parties except that the Corporation may make any disclosures related to Vessel fuel usage in the aggregate as well as any disclosures that are required pursuant to a subpoena or any applicable law after providing the Operator a reasonable opportunity to object. The Dashboard must be fully operational by the first Route Pre-Launch Date. As part of the development process, the Operator shall use commercially reasonable efforts to identify for the Corporation any material Third Party Materials prior to the commencement of its development of the Dashboard.

C. The parties anticipate that the Dashboard will be comprised of (i) Pre-Existing Materials (as defined in Section 13.23 below), (ii) software, intellectual property or other materials licensed from third parties (“**Third Party Materials**”), and/or (iii) software, intellectual property or other materials that are newly developed by the Operator as part of its development services hereunder (“**New Materials**”). Use of Operator Pre-Existing Materials and Third Party Materials is subject to the Corporation’s prior reasonable written approval.

D. For the avoidance of doubt, any New Materials that are embedded within or used in conjunction with the Dashboard shall be considered Work Product(as defined in Section 13.23 hereof).

E. To the extent that there are any Third Party Materials utilized in the Dashboard, the Operator shall, as part of the Transition Actions, either (i) to the extent permitted pursuant to applicable licenses, assign to the Corporation any license(s) to such Third Party Materials (whereupon the Corporation will be fully responsible for all obligation under such license agreement(s) following the date of such assignment) or (ii) if such assignment is not permitted, provide the Corporation with reasonable information to enable the Corporation to directly license the applicable Third Party Materials.

F. Domain names utilized for the Dashboard shall be registered by and owned by the Operator during the Term of this Agreement. Thereafter, the Operator shall to the extent lawful assign or transfer such domain names to the Corporation upon the expiration or earlier termination of this Agreement.

G. Subject to the terms and conditions of this Agreement, the Operator hereby grants to the Corporation a royalty-free, non-exclusive license during the Term and during any Transition Actions (to the extent such Transition Actions extend beyond the Term) to install, use, modify,

enhance, copy, and distribute the Operator Pre-Existing Materials solely in conjunction with the operation and use of the Dashboard.

H. Subject to the term and conditions of this Agreement, the Corporation hereby grants to the Operator a royalty-free, non-exclusive license during the Term of this Agreement and during any Transition Actions (to the extent such Transition Actions extend beyond the Term) to install, use, modify, enhance, copy, and distribute the City Pre-Existing Materials solely in conjunction with the development, operation and use of Dashboard or to otherwise perform the Operator's services hereunder.

I. The licenses set forth in this 8.01 and/or Section 13.23 below may be sublicensed by a party to its contractors or service providers (collectively, "**Contractors**"), provided that such party shall (i) require in writing that its Contractors adhere to the applicable terms and conditions of this Agreement and (ii) be responsible for the acts and omissions of such Contractors as if the same were performed by such party.

Section 8.02 Reporting during Route Operations.

A. Any emergency or incident that involves the United States Coast Guard ("**USCG**"), law enforcement, or fire department must be reported to the Corporation as soon as reasonably practicable but in no event longer than 10 minutes of reporting to the above mentioned authorities.

B. The Operator will ensure that the Corporation has access to the Dashboard 24 hours a day and 365 days a year, except for periods of regularly scheduled updates and maintenance.

C. On a quarterly basis, the Operator shall provide the Corporation with unaudited financials (income statement, balance sheet and cash flow statement). In addition, the Operator shall provide a Monthly Report comprised of Trip Summaries for all scheduled Vessel and Shuttle Bus trips in the prior week, including those that were delayed, cancelled, rescheduled or otherwise

disrupted. All information must be submitted in a digital database format (Excel, CSV, .dbf or other similar formats accepted). A “**Trip Summary**” includes:

- (1) Completion Status - characterizing the trip (As scheduled, modified, cancelled);
- (2) Ridership - actual passenger on and off counts at each stop, including the number of bicycles, strollers, and wheelchairs. The Operator must digitally collect data for ridership, using passive technology such as Automated Passenger Counters;
- (3) On-time Performance - scheduled and actual departure times at each Landing Site on the Trip;
- (4) Weather - actual weather conditions (Temperature, precipitation, sky condition) at the start of the Trip;
- (5) Notes for any major events affecting service for that Trip. (i.e. – traffic detours, traffic incidents, etc.);
- (6) Fare summary - revenue collected by fare type;
- (7) Total monthly fuel consumption according to the fuel usage meters aboard each Vessel (including a description of any variance between the meter, fuel tank logs, and the shore side fueling pump).

D. On an annual basis, to be delivered within ninety (90) days after the close of the Calendar Year the Operator must provide financial statements in accordance with GAAP and certified by an independent auditor as an appendix to the Annual Report. Separate audited financials should be provided for any subsidiary or special purpose entities of the undersigned that are contracted by the Operator to provide some of the Services (e.g. any special purpose entity that may own the Vessels) or undertake any portion of the Services. The annual financial statements

must include quarterly and annual income statements, balance sheet, statement of cash flow, and statement of owner's equity or the equivalent financial statements for partnership. The annual financial statements should include a schedule of all line item revenues and expenses which are listed in Appendix A, Exhibit 4 as Operating P&L Line Items. The annual financial statements must include the then current book value of each Vessel used in the CFS including in-service and Spare Vessels. The Vessel valuation maybe included in the Operator's annual financial statements or in a footnote, but must be presented as a discrete audited component. The annual financial statements must include all revenues and expenses associated with the CFS. The Operator shall provide an Annual Report that will include all of the above financial statements as well as:

- (1) Ridership analysis (including Shuttle Bus);
- (2) Support services analysis;
- (3) Safety Management System Audit findings;
- (4) On time Performance analysis;
- (5) Workforce Requirements— progress made;
- (6) Financial Analysis; and
- (7) Total fuel consumption and analysis of usage by Vessel and Ferry Route.

E. Any transactions more than \$100,000 combined annually with an affiliated company or a company partially or entirely owned by the shareholders or employees of the Operator, must be separately disclosed in annual financial statements. Monthly and annual financial reports shall contain separate line items and supporting calculations as to the Cost of Operations, each Component Fee, Fuel Costs (with specific line items for marine diesel costs, distribution fee, delivery fee, and tax, as each is applicable), Management Fee and all revenue line items including any participation payments due to the Corporation. Upon the Corporation's

written request, the Operator shall provide the Corporation supporting documentation, including annual audited financial statements, with respect to all of the financial statements, and all line items indicated in Appendix A, Exhibit 4, all Component Fees described in Article 3 above without limitation including participation payments (e.g. register receipts, invoices etc.). Upon the Corporation's written request, the Operator shall provide the Corporation supporting documentation with respect to all of the financial reporting, and all line items indicated in Appendix A, Exhibit 4, and all Component Fees described in Article 3 above.

F. The Operator shall prepare reports as required by the National Transit Database (formerly Section 15 of the Urban Mass Transportation Act of 1964 as amended), in a form reasonably acceptable to the City's Department of Transportation, the Corporation and the Federal Transit Administration. A draft of the report shall be submitted to the Corporation (with a copy to the City as directed in writing by the Corporation) for review no later than 20 days before the due date of final extended due date approved by the Federal Transit Administration. The Operator shall also assist the Corporation (and, as applicable, the City) in preparing reports required for other Federal, State, or other assistance programs as reasonably requested by the Corporation. The Operator's responsibility to provide such information, complete such forms, to file such reports, and to fully cooperate so that the City may qualify for State or Federal assistance or other assistance shall in no way be diminished by the fact or possibility that the Operator does not or may not benefit in any way from such State or Federal financial or other assistance.

G. Fuel consumption must be tracked by Vessel. Upon the Corporation's written request, the Operator shall provide a fuel usage report. The Operator shall utilize the fuel tracking systems to be built into the engine of each Vessel used in CFS. Upon the Corporation's request, the Operator will provide every invoice and vessel fuel log on a monthly basis and on the 15th day

of the month within thirty (30) days after the completion of each operating year. If Interim Vessels are used to provide the Services (subject to the Corporation's reasonable approval), such Interim Vessels must use a certified flow meter or other fuel tracking system approved by the Corporation in order for any Fuel Costs incurred in connection with the use of such Interim Vessels to be eligible for reimbursement. No reimbursements for fuel used by Interim Vessels used in connection with the CFS shall be made without the Corporation's receipt of an invoice that includes a calibration for the fuel flow meter associated with such Interim Vessel.

H. To the extent that the Corporation uses or intends to use federal funds (the "**Federal Funds**") that the Corporation has received or anticipates receiving from the Federal Transit Administration (the "**FTA**") of the United States Department of Transportation to pay or reimburse the Operator, the parties hereto understand that Corporation's use of Federal Funds for this Agreement may impose additional obligations on both the Corporation and the Operator, the Operator may request in writing that the Corporation reimburse the Operator for any additional Cost of Operations that the Operator incurs in connection with such additional FTA Obligations ("**FTA Costs**") (excluding overhead and non-direct costs in connection with such FTA Obligations). The Corporation, in its sole discretion, may elect to either make such requested additional payment or terminate this Agreement upon ninety (90) days' prior notice to the Operator. Upon receipt of the Corporation's notice of termination, the Operator may rescind its request for said additional payment in writing to the Corporation within (10) business days' of receipt thereof, and the Corporation's right to terminate this Agreement with respect to the Operator's additional payment request shall be deemed waived in that particular instance. The Corporation shall not be required to consider any late requests for additional payment or honor late notifications with respect to this paragraph.

Section 8.03 Traveler Information and Data Collection.

A. The Operator must digitally collect data for all Traveler Information (including, for the avoidance of doubt with respect to certain non-Operator equipment such as the shuttle buses or vessels operated by others in providing the Services), using passive technology such as Global Positioning System (“GPS”) or Automated Information System (“AIS”), such data will be used for both Traveler Information purposes and to track on-time performance. “**Traveler Information**” includes the Schedule, mapped Ferry Routes and Shuttle Bus Routes, real-time location of Vessels and Shuttle Buses, real-time arrival predictions, customer service contact information, and any additional information needed by customers as reasonably requested by Corporation.

1. The Operator must collect data for ridership using passive technology such as Automated Passenger Counters.

2. The Operator will provide, install and operate “Digital Information Displays (“DIDs”) that visually and audibly announce the next ferry arrival, to be located at all Landing Sites. DIDs may be incorporated into the design of an information kiosk or a TVM. No advertisements may be shown on Digital Information Displays.

3. The Operator is responsible for the cost and maintenance of all DIDs, which must be available by the Pre-Launch Phase of each Route.

4. All Traveler Information data and additional data generated while providing the Services will be available for unlimited and unrestricted use by the Corporation, which may be shared with the public, subject to privacy laws, and shall be the property of the Corporation.

5. Operator shall have a limited license to use the Traveler Information (excluding any personal identifying information) during the Term of this Agreement for the purpose of advertising the CFS, subject to all applicable laws including privacy laws. Notwithstanding anything herein to the contrary, subject to all applicable laws including privacy laws, the Operator shall have the right to retain and use the personal identifying information of passengers to communicate during and after the Term of this Agreement for any lawful purpose with all passengers who opt in and consent to receive such communications from the Operator (the “**Opt In Passenger Information**”).

6. All DIDs, and Traveler Information technology become property of the Corporation at no cost to the Corporation (See also Appendix A- Exhibit 6 attached hereto). The provisions of this subsection 8.03(A) (5) shall survive the expiration or earlier termination of this Agreement.

B. The Operator must provide printed Schedules with route maps and general information such as fares and customer service information on board all Vessels, at information kiosks, and with customer service agents. The Operator must develop a uniformly designed series static Traveler Information and wayfinding information signage at the direction of the Corporation.

C. The Operator shall, if directed by the Corporation in writing, revise any Report in accordance with the reasonable directions of the Corporation, and until the Corporation issues its approval thereof, the Operator shall submit revisions of the Report. In the case of each submission of a Report, if the Corporation fails to direct the Operator to revise the Report within ten (10) days of receipt thereof, the Report shall be deemed to be approved by the Corporation.

ARTICLE 9

BRANDING AND SPONSORSHIP

The Corporation contemplates that the CFS will include a branding and sponsorship program which will include, without limitation, a display on the Vessel exteriors and will be integrated and compatible with the Services (“**Corporation Branding and Sponsorship Program**” or “**CBSP**”). The objectives of the CBSP shall be developed jointly by the Corporation and the Operator as described below (the “**Operator Branding Consultation**”) and implemented in accordance with the agreed upon B&S Plan (the plan setting forth how the Corporation and the Operator shall secure Branding & Sponsorship Agreement(s), said plan shall be mutually agreed to by the Corporation and the Operator and shall be referred to herein as the “**B&S Plan**”). Following the development of the B&S Plan, the CBSP may be implemented by either the Corporation or the Corporation and the Operator (as the parties may agree and as may be consistent with applicable law) entering into a separate agreement(s) (e.g., “**Branding and Sponsorship Agreement(s)**” with CFS sponsor(s) (“**Sponsor(s)**”). Any such Branding and Sponsorship Agreement(s) shall be transferable to future CFS Operator(s). All revenue associated with the Branding and Sponsorship Agreement(s) shall be due to the Corporation, with the exception of the provisions of 9(ii), below. The Operator Branding Consultation shall be conducted as follows:

(i) Within thirty days of the Effective Date of this Agreement, the Corporation and the Operator shall meet and confer and;

(a) shall endeavor to agree upon goals, objectives and parameters of any prospective CBSP, taking into account: (i) potential revenue to the Corporation; (ii) potential revenue to the Operator; (iii) economic impact (positive or negative) on the Operator, including, but not limited to, cost to develop and implement the CBSP, impacts on ridership and market awareness of the

Services, and any limitations on the Operator's revenue strategies (e.g., advertising, media and concessions); and,

(b) shall disclose the names and status of respective Sponsor development activities to date.

(ii) Promptly thereafter, the Corporation shall approve a plan for Operator to endeavor to secure Branding and Sponsorship Agreement(s) in accordance with the provisions set forth above in subsection (i) (the "**B&S Plan**"), including a proposed fee or compensation which the Operator will be entitled to either from the Sponsor or to be paid to the Operator by EDC in the event that the Operator should successfully be the procuring cause of the Branding and Sponsorship Agreement(s), expressed as a percentage of the total value of the Agreement(s);

(iii) The Operator shall have ninety (90) days from the date of the approval of such B&S Plan to identify a Sponsor prepared to execute a Branding and Sponsorship Agreement(s) with the Corporation or the Corporation and the Operator;

(iv) The proposed Branding and Sponsorship Agreement(s) shall be subject to the Corporation's approval, such approval to be granted in the Corporation's sole discretion.

Once such Branding and Sponsorship Agreement(s) have been executed, the Operator shall accommodate and incorporate the applicable provisions of such Branding and Sponsorship Agreement(s) into its operations as provided by such Branding and Sponsorship Agreement(s).

The CBSP may include, without limitation, a universal brand name, imprints, a style guide for the CFS, and exterior wraps for the Vessels. All development and uses of the CBSP elements shall be subject to the Corporation's written approval and, as applicable, the Sponsor's written approval, which such approval shall be granted in each respective party's sole discretion. Incorporation of the CBSP elements into the CFS is included in the Compensation or, if net new costs are imposed,

the Compensation will be adjusted to include such costs. The Operator shall endeavor to ensure that no conflict is created between the Operator's Sales and Media Agreements and the Branding and Sponsorship Agreement(s) and any corresponding Branding and Sponsorship License Agreement(s), however, in the event of a conflict between the Operator's Sales and Media Agreements and the Branding and Sponsorship Agreement and any corresponding Branding and Sponsorship License Agreement(s), the terms and conditions of the Branding and Sponsorship Agreement shall prevail, as determined in the Corporation's reasonable discretion.

In the event the Corporation rejects a proposed CBSP in its sole discretion, it shall then be entitled to seek alternate Branding and Sponsorship Agreement(s) consistent with the provisions this Section 9, including, without limitation, with Sponsor(s) previously identified by the Operator, and in that event, the parties shall meet and confer annually regarding the performance of the CBSP. In all circumstances, whether Sponsor(s) is procured by the Corporation or the Operator and unless otherwise provided in the Branding and Sponsorship Agreement, the Corporation retains all intellectual property related to the CBSP (for the avoidance of doubt elements of the Branding and Sponsorship Program may be owned by the City and/or third parties). The Operator may own and exploit its own intellectual property ("**Operator IP**") including but not limited to, its name, trademarks or methods, subject and subordinate to CBSP Branding and Sponsorship Agreements, and it is also contemplated that the Operator may have to enter into a separate license or other agreement with the Corporation (or the City or another third party(ies), including, without limitation the Sponsor(s)) in connection with the use of the CBSP elements (the "**Branding and Sponsorship License Agreement**"). The Operator shall use the CBSP at all times when providing the Services. Specifically, all marketing of the CFS by Operator must incorporate the CBSP. The Operator may incorporate Operator IP in its marketing, subject to

the Corporation's, or, as applicable, the Sponsor's, prior written approval thereof, such approval to be granted in each party's respective sole reasonable discretion.

Any physical additions or modifications to the Vessels in connection with CBSP (*e.g.*, coatings, reflective surfaces, protrusions, etc.) must be approved by Operator, such approval not to be unreasonably withheld.

ARTICLE 10

INSURANCE AND INDEMNIFICATION

Section 10.01 General.

It is contemplated that the insurance coverage requirements set forth in this Article 10 may be phased-in based on the Operator's activities during the term of the Agreement as directed by the Corporation.

A. The Operator, at its sole cost and expense, commencing upon the Commencement Date and continuing up to the Expiration Date, shall carry, or cause to be carried insurance policies as set forth in Appendix H, annexed hereto and made a part hereof.

B. Limits of Insurance Coverage. All policies of insurance required by this Article shall be written on the applicable ISO forms set forth in Appendix H, or if no specific ISO form is set forth in Appendix H, then said policies shall contain terms and conditions at least as favorable to the Operator and additional insureds as the terms and conditions found in standard ISO forms of policies and endorsements available for such risks.

C. All policies of insurance required by this Agreement, except for Statutory Worker's Compensation, Employer's Liability and Hull and Machinery Insurance, shall name the Corporation, the City and their respective officers, directors, officials, agents and employees and any other entities or individuals as directed by the Corporation as additional insureds (the

“**Additional Insureds**”) and shall protect the Additional Insureds on a primary and non-contributory basis. With respect to protection and indemnity insurance, the foregoing requirement may be satisfied by issuance of a Mis-Directed Arrows Endorsement to Operator’s policy which provides for equivalent protection to additional insured status.

D. The Operator shall comply with the provisions of all insurance policies required pursuant to this Agreement, and shall give the Corporation and the City notice of any claim, accident or loss promptly upon its acquiring knowledge of the same. With respect to any incident requiring a report to the USCG or other third-party, the Operator shall notify the Corporation of such incident immediately verbally and in writing within one business day.

E. All of the insurance policies required by this Agreement shall be procured from companies licensed or authorized to do business in the State of New York (the “**State**”) that have a rating in the latest edition of “Bests Key Rating Guide” of “A:VII” or better and a claims paying ability of “AA” (or its equivalent) or better, by at least two nationally recognized rating agencies acceptable to the Corporation in all respects.

F. The Operator shall deliver to the Corporation a certificate of insurance for each such policy on or prior to the Commencement Date in form reasonably satisfactory to the Corporation, and not less than ten days prior to the expiration of any policy, the Operator shall deliver to the Corporation a confirmation of renewal. The Operator shall undertake no services under this Agreement unless and until it has provided the Corporation with the above with respect to all insurance required to be obtained by the Operator under this Agreement. Copies of individual policies and endorsements are to be furnished by the Operator to the Corporation within thirty days after request therefor.

G. Operator shall procure policies for all insurance required by this Agreement for periods of not less than one year.

H. All policies of insurance required under this Agreement (except for Workers' Compensation and Protection and Indemnity insurance) shall include a waiver of the right of subrogation with respect to all the named insureds and Additional Insureds. With respect to Protection and Indemnity insurance, Operator shall provide a Mis-Directed Arrows endorsement which provides protection equivalent to a waiver of subrogation.

I. Operator assumes all risk of, and shall be fully responsible for and reimburse fully the City and the Corporation for any loss, cost or expense arising out of any personal or bodily injury, death, or loss or damage to any property arising out of the Services provided under this Agreement, or any of the acts, omissions, events, conditions, occurrences or causes described in the next sentence. The Operator shall forever, defend, indemnify and hold harmless the City, and the Corporation, and their respective officials, officers, agents, representatives and employees from and against any and all liabilities, claims, demands, penalties, fines, settlements, damages, costs, expenses and judgments of whatever kind or nature, known or unknown, contingent or otherwise arising from personal or bodily injury to any person or persons, including death, or any damage to property of any nature, but solely to the extent occasioned by any willful or negligent action, error or omission of Operator or of the employees, guests, invitees, contractors, subcontractors, representatives, officials, officers, servants or agents of Operator solely arising out of or as a result of the Agreement.

J. The Corporation and the City each reserve, and the Operator grants to the Corporation and to the City, respectively, the right to intervene in any suit, action or proceeding by any person or persons, firm or corporation seeking to enjoin, restrain or in any manner interfere

with the Operator in its performance or observance of any of the terms or conditions of this Agreement, or of its obeying any notice or direction of the Corporation, which involves or might involve the constitutionality, validity, or enforcement of any section, subdivision, clause, or sentence of this Agreement, and the Corporation or the City may move to vacate any such injunction or restraining order or take any other appropriate step, in any such suit, action or proceeding which it may deem necessary or advisable to protect their respective interests.

Section 10.02 Provisions to be Included.

A. The insurance policies provided above shall contain the following provisions:

1. Notices from the insurer (the “**Insurer**”) to New York City Economic Development Corporation (the “**Corporation**”), and The City of New York (the “**City**”) in connection with this policy, shall be addressed to New York City Economic Development Corporation, at 110 William Street, New York, New York 10038 attention: ____ with a copy to General Counsel at the same address, to the Commissioner, New York City Department of Transportation, 40 Worth Street, New York New York 10013, and to the Commissioner, New York City Department of Small Business Services, at 110 William Street, New York, New York 10038 or such other addresses as may be specified by the Corporation or the City.

2. The Insurer shall accept notice of accident from the Corporation, or the City as soon as practicable after receipt by an official of such additional insured party of notice of such accident as valid and timely notice under this policy.

3. The Insurer shall accept notice of claim from the City as soon as practicable after receipt by such party as valid and timely notice under this policy.

4. Notice of accident or claim to the Insurer by the Operator, the City, the Corporation, or any insured shall be deemed notice by all under this policy.

5. This policy shall not be cancelled, terminated or modified by the Insurer or the Operator unless thirty days prior written notice is sent by registered mail to the Corporation and the City, nor shall this policy be cancelled, terminated or modified by the Operator without the prior written consent of the Corporation and the City.

6. The presence of engineers, inspectors or other employees or agents of the Corporation or the City, respectively, at the site of any activities undertaken by the Operator or any persons or entities employed or otherwise hired by the Operator shall not invalidate this policy of insurance.”

B. Each policy provided pursuant the above, except for Statutory Worker’s Compensation and Employer’s Liability Insurance, shall provide as follows:

1. that the coverage shall contain no special limitations on the scope of protection afforded to the Corporation and the City, and their respective officers, directors, officials, agents and employees;

2. that the insurance applies separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer’s liability; and

3. that the insurance shall be primary insurance as respects the Corporation and the City, and their respective officers, directors, officials, agents, and employees, and the Corporation and the City will not be called upon to contribute to a loss. The Operator agrees that any other insurance or self-insurance maintained by the Corporation or the City, and their respective officers, directors, officials, agents, and employees, shall be in excess of and not contribute to the Operator’s insurance.

Section 10.03 No Representation as to Adequacy of Coverage.

The requirements set forth herein with respect to the nature and amount of insurance coverage to be maintained or caused to be maintained by the Operator hereunder shall not constitute a representation or warranty by the Corporation that such insurance is in any respect adequate.

Section 10.04 Operator Responsibilities.

A. The Operator shall be solely responsible for the safety and protection of its employees, agents, servants, contractors, and subcontractors, and for the safety and protection of the employees, agents, or servants of its contractors or subcontractors.

B. The Operator shall be solely responsible for taking all reasonable precautions to protect the persons and property of the Corporation and/or the City and/or others from damage, loss or injury resulting from any and all operations under this Agreement. In particular, without limiting the foregoing, the Operator shall be responsible for the repair of any damages it causes to the Landing Site(s) or approaches thereto and the Vessels and shall notify the Corporation as soon as reasonably practicable and within one business day after the occurrence of any such damage. The Corporation may, at its option, repair or cause to be repaired any such damage to the Landing Sites at the sole cost and expense of Operator, or, alternatively, direct the Operator to repair or cause to be repaired such damage at its sole cost and expense (for the avoidance of doubt, if the Corporation directs the Operator to make such repairs to the Landing Sites, the cost of such repairs will not be reimbursed as part of the Operator's Compensation). For the avoidance of doubt, the Operator shall not be responsible for the maintenance of the Landing Site(s) or the approaches thereto.

C. The Operator shall be solely responsible for injuries to any and all persons, including death, and damage to any and all property arising out of or related to the operations under this Agreement, whether or not due to the negligence of the Operator, including but not limited to injuries or damages resulting from the acts or omissions of any of its employees, agents, servants, contractors, subcontractors, or any other person.

D. The Operator shall use the Landing Sites, Vessels and/or any Interim Vessels in compliance with, and shall not cause or permit the Landing Sites, Vessels, and/or any Interim Vessels to be used in violation of, any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of the courts, permits or permit conditions, currently existing or as amended or adapted in the future which are or become applicable to the Operator or the Landing Sites, Vessels and/or any Interim Vessels (collectively “Environmental Laws”). Except as may be agreed by the Corporation as part of this Agreement, or to the extent permitted under applicable law, the Operator shall not cause or permit, or allow any of the Operator’s personnel to cause or permit, any Hazardous Materials to be brought upon, stored, used, generated, treated or disposed of on the Landing Sites, Vessels, and/or any Interim Vessels. As used herein, “Hazardous Materials” means any chemical, substance or material which is now or becomes in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, its properties or effects and which is being brought upon, stored, used, generated, treated or disposed of in violation of any applicable law; provided, however, that Operator shall inform the Corporation of any materials that it intends to bring on the Landing Sites, Vessels and/or Interim Vessels prior to their use or storage thereon to the extent that the use or storage of such materials is subject to Environmental Law (e.g. gasoline, paint, cleaning solvents).

Notwithstanding the above, the Operator is authorized to utilize such materials as are legally permissible and as may be required for the Services.

Section 10.05 Indemnification and Related Obligations.

A. To the fullest extent permitted by law, the Operator shall indemnify, defend and hold the Corporation and the City and their respective officials and employees harmless against any and all claims, liens, demands, judgments, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature (including, without limitation, attorneys' fees and disbursements) arising out of or related to any of the operations under this Agreement (regardless of whether or not the Operator itself had been negligent) and/or the Operator's failure to comply with applicable law or any of the requirements of this Agreement. Insofar as the facts or law relating to any of the foregoing would preclude the Corporation, the City or their respective officials and employees from being completely indemnified by the Operator, the Corporation, the City and their respective officials and employees shall be partially indemnified by the Operator to the fullest extent permitted by law. Notwithstanding the foregoing, in no event shall the Operator be responsible for any damage or injury caused by the gross negligence or willful misconduct of the Corporation.

B. The Operator's obligation to defend, indemnify and hold the Corporation and City and their respective officers and employees harmless shall not be (i) limited in any way by the Operator's obligations to obtain and maintain insurance under this Agreement, nor (ii) adversely affected by any failure on the part of the Corporation, City or their respective officers and employees to avail themselves of the benefits of such insurance.

ARTICLE 11

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 11.01 Operator Representations.

The Operator represents, warrants and covenants that:

A. The Operator is a Delaware company duly authorized and organized, validly existing, and in good standing under the laws of the State of Delaware, is authorized to conduct business in New York, and has all requisite power and authority to execute, deliver and perform this Agreement.

B. The execution and delivery of this Agreement by Operator has been duly authorized by all required company action and creates legally binding and enforceable obligations on Operator's part to be performed.

C. The execution and delivery of this Agreement, and compliance with the provisions hereof, do not and will not conflict with or constitute a violation of or default under any indenture, mortgage, deed of trust or other agreement or instrument to which the Operator is bound, or, to the knowledge of the Operator, any statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Operator or any of its activities or properties.

D. The Operator has not been asked to pay, and has neither offered to pay, nor paid, any illegal consideration, whether monetary or otherwise, in connection with the procurement of this Agreement.

E. The Operator has not employed any person to solicit or procure this Agreement in an unlawful manner, and has not made and shall not make, except to full-time employees and outside counsel of the Operator, any payment or any agreement for the payment of any

commission, percentage, brokerage, contingent fee or any other compensation (other than lawful fees) in connection with the procurement of this Agreement

F. The Operator has not acquired nor will it acquire any interest of any nature, direct or indirect (including any interest in land in an area related to the Services or any interest in any corporation, partnership, or other entity with any such interest), which would create an unlawful conflict with the performance of the Services. The Operator further represents and covenants that in the performance of this Agreement no person having any such unlawful conflicting interest shall be knowingly employed by the Operator.

G. The Operator is not in arrears to the City upon any debt, contract or taxes and is not in default, as surety or otherwise, of any obligation to the City, and has not been declared not responsible, or disqualified, by any agency of the City, nor is there any proceeding pending relating to the responsibility or qualification of the Operator to receive public contracts. The Operator represents that it has paid all applicable New York City income, excise and other taxes for all years it has conducted business activities in New York City.

H. All questionnaires and/or disclosure forms delivered by the Operator to the Corporation to date are true and correct; that no material change has occurred in the circumstances of the Operator, its principals, or affiliated persons or entities since the respective dates upon which such disclosure forms were executed which would otherwise require disclosure on such forms; and that no material disclosed in such disclosure forms contains any untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained in such form not misleading.

I. The Operator is authorized to provide the Services by all federal, state or local agencies having jurisdiction over Operator and/or the services and Operator possesses, or will

possess as of the Commencement Date, all licenses, authorizations and approvals as may be required by all applicable Federal, state and local laws in order to provide the Services.

J. The Operator's financial profile (e.g. financial statements and other supporting information as to the Operator's assets and liabilities) as submitted to the Corporation as part of the RFP award process for this Agreement was true and correct as of the date(s) of submission, and no event has occurred or failed to occur since such date(s) of submission which would cause any of the said financial profile information to include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make such statements not misleading.

Section 11.02 Corporation Representations.

The Corporation represents and warrants that:

A. The Corporation is a New York State Not-for-Profit Corporation, duly authorized and organized, validly existing, and in good standing under the laws of the State of New York, is authorized to conduct business in New York, and has all requisite power and authority to execute, deliver and perform this Agreement.

B. The execution and delivery of this Agreement, and compliance with the provisions hereof, do not and will not conflict with or constitute a violation of or default under any indenture, mortgage, deed of trust or other agreement or instrument to which the Corporation is bound, or, to the knowledge of the Corporation, any statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Corporation or any of its activities or properties. To the extent the Corporation desires to take any discretionary act which subjects Operator to any additional costs (excluding any overhead and non-direct costs) ("**Discretionary Action Costs**") or other obligations under federal, state or local law which does not exist as of the

effective date and such satisfaction of such obligation shall cost the Operator an amount in excess of the contingency amount, the Corporation shall discuss such proposed act, and, provided the Corporation agrees to hold the Operator harmless from any adverse consequences (*e.g.*, economically and with respect to performance standards) of such action, the Operator shall accommodate such action to the extent feasible, except that if the Corporation agrees to pay all costs necessary for the Operator to satisfy such obligation, the Operator shall fully accommodate such action. For the avoidance of doubt, the Corporation shall have the right to modify this Agreement as necessary, in accordance with this Section 11.02 (B), to conform with any conditions in any findings statements issued as a result of any environmental review undertaken pursuant to the State Environmental Quality Review and City Environmental Quality Review Procedures (collectively, SEQRA/CEQR) provided that the Corporation pays the cost of such changes or mutually agrees to offsetting provisions that eliminate such excess cost.

Section 11.03 Survival.

All the foregoing representations and warranties shall survive the expiration or earlier termination of this Agreement.

Section 11.04 No Representations.

Operator understands and agrees that neither the Corporation nor the City warrant the landings, docks, piers, landing barges, quays, gangways, ramps, platforms, bulkheads, buildings or other structures, upland area, and wharves to be safe for landing or tying-up of Vessels or for accepting and discharging passengers, for queuing or for ingress and egress and assumes no responsibility for such use.

ARTICLE 12

APPLICABLE LAWS, RULES AND REGULATIONS

Section 12.01 New York Law Governs.

A. The Agreement shall be governed by and construed in accordance with the laws of the State of New York.

B. The parties agree that any and all claims asserted by or against the Corporation arising under this Agreement or related hereto shall be heard and determined either in the courts of the United States (“**Federal Courts**”) located in the City of New York or in the courts of the State of New York (“**New York State Courts**”) located in the City and County of New York. To effect this agreement and intent, the Corporation and the Operator agree as follows:

C. If either party initiates any action against the other party in Federal Court or in New York State Court, service of process may be made on such party in person, wherever such party may be found, or by registered mail addressed to such party at its address as set forth in this Agreement, or to such other address as such party may provide to the other party in writing.

D. With respect to any action between the parties in New York State Court, the parties hereby expressly waive and relinquish any rights they might otherwise have (i) to move to dismiss on grounds of forum non conveniens, (ii) to remove to Federal Court, and (iii) to move for a change of venue to a New York State Court outside New York County.

E. With respect to any action between the parties in Federal Court located in New York City, the parties expressly waive and relinquish any right they might otherwise have to move to transfer the action to a Federal Court outside the City of New York.

F. If either party commences any action against the other party in a court located other than in the City and State of New York, then, upon request of such other party, the party

commencing the action shall either consent to a transfer of the action to a court of competent jurisdiction located in the City and State of New York or, if the court where the action is pending will not or cannot transfer the action, the party commencing such action shall consent to dismiss such action without prejudice and may thereafter reinstitute the action in a court of competent jurisdiction in the City.

Section 12.02 Modification Required by Law.

A. The parties agree that each and every provision of federal or state or local law, rule, regulation or order, required to be inserted in this Agreement, is deemed by this reference to be so inserted in its correct form, and upon the application of either party, this Agreement shall be amended by the express insertion of any such provision not so inserted or so inserted incorrectly so as to comply strictly with the law, without prejudice to the rights of either party.

B. If this Agreement contains an unlawful provision not an essential part hereof and which shall appear not to have been a controlling or material inducement to the making hereof, the same shall be deemed of no effect, and, upon application of either party, shall be stricken from this Agreement without affecting the binding force of this Agreement as it shall remain after omitting such provision.

Section 12.03 Compliance with the Applicable Laws.

The Operator agrees that all acts to be performed by it in connection with this Agreement shall be performed in conformity with all applicable and binding federal, state, and local laws, rules, regulations, applicable and legally binding and orders, including, without limitation, certain FTA Guidelines for Safety (including, without limitation drug and alcohol testing) and Civil Rights, Title VI policies of the Corporation, to the extent applicable to the Services, Chapter 7 of the New York Administrative Code Accessible Water Borne Commuter

Services Facilities Transportation Act (Local Law 68/2005) and the DOT. Failure by the Operator to abide by any such law, rule, regulation, guideline or order shall be a default under this Agreement.

Compliance with the Title VI policies of the Corporation requires, without limitation, that the Operator display conspicuously to the public and crew the following statement on the Vessels:

Commitment to Equality (Operator to complete contact information)

[Operator] is committed to ensuring that no person is excluded from participation in, or denied the benefits of, or subjected to discrimination in the delivery of its services on the basis of race, color, national origin, age, sex, religion, gender identity, disability, or any other category protected by federal, state, or city law.

If you believe that you have been subjected to discrimination or would like additional information about [Operator's] nondiscrimination policies, please contact [] at 212- or at [email]

The Commitment to Equality shall be translated into the following languages: French Creole, Italian, Spanish, Korean, Chinese, Bengali, and Russian

For the avoidance of doubt, the Operator is not responsible for installing the aforementioned display at the Landing Sites.

Section 12.04 Equal Employment Opportunity.

The Operator shall comply with the applicable provisions of all City and State laws regarding equal employment and affirmative action including, without limitation, the Executive Order No. 50 (1980) Supply and Service Rider attached hereto as Appendix I and made a part hereof. Appendix I shall be attached to and made a part of any subcontract entered into by the Operator pursuant to this Agreement which exceeds \$50,000.

The provisions of this Section 12.04 shall be deemed supplementary to, and not in lieu of, or in substitution for, the applicable provisions of the New York State Labor Law relating to non-discrimination, and other applicable federal, state or city laws, ordinances, rules, regulations and orders.

Section 12.05 No Tropical Hardwoods.

Tropical hardwoods, as defined in Section 165 of the New York State Finance Law, shall not be utilized in the performance of this Agreement except as expressly permitted by the foregoing provision of law.

Section 12.06 Local Law 34 Form.

A. Local Law No. 34 of 2007 amended the City's Campaign Finance Law and required the City to establish a database containing the names of any "person" that has "business with the city", as such terms are defined in LL 34. Operator shall comply with all requirements of LL 34 applicable to this Agreement.

B. Operator shall complete and submit a Doing Business Data Form Appendix P.

C. Operator's failure to complete and submit a Doing Business Data Form and/or its submission of a form that is not accurate or complete may result in appropriate sanctions.

Section 12.07 Iran Divestment Act.

The Operator shall comply with Section 165-a of the New York State Finance Law.

ARTICLE 13

MISCELLANEOUS

Section 13.01 Operator as Independent Contractor.

Notwithstanding anything contained herein to the contrary, it is specifically understood and agreed that in the performance of the terms, covenants and conditions of this Agreement, the Operator and its employees, agents and subcontractors shall not be deemed to be acting as agents, servants or employees of the Corporation or the City by virtue of this Agreement or by virtue of any approval, permit, license, grant, right, or other authorization given by the Corporation or the City or any of their respective officers, agents or employees in connection with

this Agreement, but shall be deemed to be independent contractors performing services for the Corporation, and shall be deemed solely responsible for all acts taken by them pursuant to this Agreement.

Section 13.02 Assignment.

The Operator shall not assign, convey, sublet or transfer this Agreement or the Operator's rights hereunder without the written consent of the Corporation in its sole discretion. The Corporation shall not have the right to assign, convey, sublet or transfer this Agreement or the Corporation's rights hereunder except to an affiliate or government or quasi-government entity (for the avoidance of doubt an entity of a type similar to the Corporation shall be permitted), without the consent of the Operator. Notwithstanding the foregoing, the Operator or its parent may form a special purpose entity to own the Vessels and enter into an intercompany agreement to make such Vessels available to the Operator in a manner which is in all respects consistent with the requirements of this Agreement.

Section 13.03 Right to Inspect and Audit.

In addition to the audit provisions set forth in Appendix A, at any time and from time to time, upon reasonable prior written notice, the Operator shall allow the Corporation, the City and the Comptroller and their respective officers, employees, servants, operators and agents to: (a) examine and make copies and abstracts from the records, books of account and documents related to this Agreement, including any audits, surveys or inspections conducted as part of the Operator's safety management system, (b) visit and inspect the properties of the Operator, and (c) discuss the affairs, finances, and accounts of the Operator with any of its officers and directors and independent accountants.

In the event that an audit by a government entity (other than the Corporation or the Comptroller) with authority to conduct a financial and/or performance audit asserts that the Operator has failed to perform in any manner with respect to the Operator's obligations under this Agreement, and the Corporation disagrees with such assertions, the Corporation shall reasonably coordinate with the Operator to defend its performance and shall reimburse the Operator for the reasonable third-party, out-of-pocket costs (i.e. excluding any overhead and non-direct costs) that the Operator incurs ("**Audit Costs**") in excess of \$50,000 to defend itself with respect to such audit up to a maximum amount of \$100,000; provided, however, that the audit ultimately shows that the assertions against the Operator were false. In the event that the Corporation agrees with the audit's assertions, if any, of a failure to perform, the Corporation shall afford the Operator a reasonable opportunity to correct, or cure, as the case may be, such non-performance, except in the event of suspected intentional misrepresentation or fraud.

Section 13.04 Maintenance of Records.

In order to facilitate any audit provided herein, the Operator agrees to maintain accurate, readily auditable records and accounts with supporting documentation in accordance with generally accepted accounting principles consistently applied of the Services performed by it, its employees, and its subcontractors under this Agreement and of all financial accounts and transactions maintained or undertaken in connection with this Agreement, including, but not limited to, time cards and records reflecting the nature of the work or services performed and time consumed, bank statements, cancelled checks, bills and receipts, requests for payment, and deposit slips, and to have such records available for inspection and audit by the Corporation, the Comptroller and/or their designees at reasonable times, on reasonable prior written notice. In addition, the Operator shall, upon reasonable demand, provide the Corporation, the Comptroller

and/or their designees with copies of any such records including, without limitation, photocopies and electronic copies. The Operator shall maintain such records, books of account and documents at its principal place of business in New York City for six years after the Expiration Date of this Agreement.

Section 13.05 Claims or Actions Against the Corporation.

Upon acceptance by the Operator of the final payment to be paid pursuant to this Agreement, the Operator agrees that it shall be deemed to have released the Corporation and the City from any and all claims, causes of action, and liability to the Operator, its successors, legal representatives and assigns for payment to Operator of the Compensation, in connection with this Agreement or the performance of the Services. No officer, employee, agent or other person authorized to act on behalf of the Corporation or the City shall have any personal liability in connection with this Agreement. The Operator agrees that no cause of action against the Corporation or the City in connection with this Agreement shall lie or be maintained by the Operator, its successors or assigns unless such action is commenced within twelve months after (i) the Expiration Date, or (ii) the accrual of the cause of action, whichever is earlier.

Section 13.06 Assistance by the Operator.

If any claim is made or any action brought relating to this Agreement or the Services, whether or not the Operator is a party, the Operator shall diligently render to the Corporation any and all assistance which the Corporation may reasonably require of the Operator, without compensation, except for reimbursement of Operator's reasonable out-of-pocket expenses (including, without limitation, travel expenses) in connection therewith.

Section 13.07 Refusal to Testify.

A. The Operator agrees to cooperate fully and faithfully with any investigation, audit or inquiry conducted by a Federal, State or City governmental agency or authority that is empowered, directly or by designation, to compel the attendance of witnesses and to examine witnesses under oath, or conducted by the Inspector General of a governmental agency that is a party in interest to the transaction, submitted bid, submitted proposal, contract, lease, permit, or license that is the subject of the investigation, audit or inquiry.

B. If

(i) any person who has been advised that her or his statement, and any information from such statement, will not be used against her or him in any subsequent criminal proceeding refuses to testify before a grand jury or other governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath concerning the award of, or performance under, any transaction, agreement, lease, permit, contract, or license entered into with the Federal, City, the State, or any political subdivision or public authority thereof, or the Port Authority of New York and New Jersey, or the Corporation, or any local development corporation within the City, or any public benefit corporation organized under the laws of the State of New York, or

(ii) any person refuses to testify for a reason other than the assertion of her or his privilege against self - incrimination in an investigation, audit or inquiry conducted by a City or State governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to take testimony under oath, or by the Inspector General of the governmental agency that is a party in interest in, and is seeking testimony concerning the award of, or performance under, any transaction, agreement, lease, permit, contract, or license entered into with the City, the State, or any political subdivision thereof, or the Corporation, or any local

development corporation within the City, then the commissioner or agency head (each of which is hereinafter referred to as the “**Commissioner**”) whose agency is a party in interest to the transaction, submitted bid, submitted proposal, contract, lease, permit, or license involved in such investigation, audit or inquiry shall convene a hearing, upon not less than five days written notice to the parties involved, to determine if any penalties should attach for the failure of a person to testify.

C. If any non-governmental party to the hearing requests an adjournment, the Commissioner who convened the hearing or the Corporation may, upon the Commissioner granting the adjournment, suspend any contract, lease, permit, or license pending the final determination pursuant to subsection (E) below without the City or the Corporation incurring any penalty or damages for delay or otherwise.

D. The Corporation or the City may impose the following penalties after a final determination by the Commissioner that penalties should attach for the failure of a person to testify:

(i) the disqualification for a period not to exceed five years from the date of an adverse determination of any person, or any entity of which such person was a member at the time the testimony was sought, from submitting bids for, or transacting business with, or entering into or obtaining any contract, lease, permit or license with or from the City or the Corporation, as the case may be; and/or

(ii) the cancellation or termination of any and all such existing City or Corporation contracts, leases, permits or licenses that the refusal to testify concerns and that have not been assigned as permitted under this Agreement, nor the proceeds of which pledged, to an unaffiliated and unrelated institutional lender for fair value prior to the issuance of the notice

scheduling the hearing, without the City or the Corporation incurring any penalty or damages on account of such cancellation or termination; monies lawfully due for goods delivered, work done, rentals, or fees accrued prior to the cancellation or termination shall be paid by the City or the Corporation, as the case may be.

E. The Commissioner shall consider and address, in reaching her or his determination, and the Corporation and the Commissioner shall consider and address, in assessing an appropriate penalty, the factors in paragraphs (i) and (ii) below. The Commissioner and the Corporation may also consider, if relevant and appropriate, the criteria established in paragraphs (iii) and (iv) below in addition to any other information which may be relevant and appropriate:

(i) The entity's good faith endeavors or lack thereof to cooperate fully and faithfully with any governmental investigation or audit, including, but not limited to, the discipline, discharge, or disassociation of any person failing to testify, the production of accurate and complete books and records, and the forthcoming testimony of all other members, agents, assignees or fiduciaries whose testimony is sought.

(ii) The relationship of the person who refused to testify to any entity that is a party to the hearing, including, but not limited to, whether the person whose testimony is sought has an ownership interest in the entity and/or the degree of authority and responsibility the person has within the entity.

(iii) The nexus of the testimony sought to the subject entity and its contracts, leases, permits or licenses with the City or the Corporation.

(iv) The effect a penalty may have on an unaffiliated and unrelated party or entity that has a significant interest in an entity (subject to penalties under subsection (D) above), provided that the party or entity has given actual notice to the Commissioner upon the acquisition

of the interest, or at the hearing called for in subsection (B) above gives notice and proves that such interest was previously acquired. Under either circumstance the party or entity must present evidence at the hearing demonstrating the potential adverse impact a penalty will have on such person or entity.

F. (i) The term “license” or “permit” as used in this Section 13.07 shall be defined as a license or permit not granted as a matter of right.

(ii) The term “person” as used herein shall be defined as any natural person doing business alone or associated with another person or entity as a partner, director, officer, principal or employee.

(iii) The term “entity” as used herein shall be defined as any firm, partnership, corporation, association, or person that receives monies, benefits, licenses, leases, or permits from or through the City or the Corporation or otherwise transacts business with the City or the Corporation.

(iv) The term “member” as used herein shall be defined as any person associated with another person or entity as a partner, director, officer, principal or employee.

Section 13.08 No Political Activity.

The Operator agrees that it shall not engage in any political activity or any activity to further the election or defeat of any candidate for public, political or party office as a part of or in connection with this Agreement, nor shall any of the funds provided under this Agreement be used for such purposes.

Section 13.09 MacBride Principles.

The MacBride Principles Rider attached hereto as Appendix K, is hereby incorporated in this Agreement, and forms a part of this Agreement, as if fully set forth herein.

Section 13.10 Notices.

Each written notice, demand, request or other communication in connection with this Agreement shall be either served in person, with delivery of service acknowledged in writing by the party receiving the same or deposited in the United States mails, postpaid, and addressed to the respective address as follows, or to such other address as may be specified by written notice sent in accordance herewith, unless otherwise explicitly provided herein (e.g. in certain instances as set forth on Appendix A hereto email or phone is denoted as an acceptable form of communication).

If to the Corporation:

President
New York City Economic Development Corporation
110 William Street, 6th Floor
New York, New York 10038

with copies to:

General Counsel
New York City Economic Development Corporation
110 William Street, 6th Floor
New York, New York 10038

and

Executive Vice President, Asset Management
New York City Economic Development Corporation
110 William Street, 6th Floor
New York, New York 10038

If to the City:

Chief, Economic Development Division
New York City Law Department
100 Church Street
New York, New York 10007
Email Address:
Phone:

If to Operator:

VP & General Manager
HNY Ferry LLC
353 West Street
New York, New York 10014

Email Address: hnyferrygm@[REDACTED]

Phone: ([REDACTED])

with copies to:

Charles Scot Birenbaum
Greenberg Traurig, LLP
4 Embarcadero Center, Suite 3000
San Francisco, California 94111

Email Address: birenbaumc@[REDACTED]

Phone: ([REDACTED])

and

Edward C. Wallace
Greenberg Traurig, LLP
MetLife Building
200 Park Avenue
New York, New York 10166

Emails Address: wallacee@[REDACTED]

Phone: ([REDACTED])

Every notice, demand, request or other communication hereunder shall be deemed to have been given two business days after the mailing as aforesaid.

Section 13.11 Company Requirements.

A. The Operator will strive to meet 10 to 25% participation by Minority and Women-Owned Business Enterprises (“M/WBE”) in connection with the Scope of Services including, as applicable, the Operator’s M/WBE Subcontractors Participation Plan or M/WBE Narrative Form attached hereto as Appendix J.

B. The Operator shall comply with the Living Wage requirements as set forth on Appendix O hereto.

C. The Corporation recognizes the importance of creating employment opportunities for low-income persons, enabling them to participate in the City's economic growth. To this end, the Corporation has developed the HireNYC Program for all service contracts expected to produce ten (10) or more permanent jobs over the life of the project. Participation in this program requires the Operator to use good faith efforts to achieve the hiring and workforce development goals and perform the requirements of the Corporation's HireNYC Program described in Appendix L.

Section 13.12 Non-Waiver.

Failure of the Corporation, its agents or its representatives, to enforce or otherwise require the performance of any of the terms and conditions of this Agreement, at the time or in the manner that said terms and conditions are set forth herein, shall not be deemed a waiver of any such terms or conditions by the Corporation, and the same may be selectively enforced or raised as a basis of a claim or cause of action at the option of the Corporation.

Section 13.13 Agreement Binding.

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 13.14 Conflicts.

In the event any provisions set forth in the annexed Appendices or Exhibits conflict with any other provisions in the body this Agreement, the provision with the more specific or stringent requirements shall govern. In the event that any provisions set forth in this Agreement conflict with any of the Site Access Agreements, this Agreement shall control.

Section 13.15 Interpretation.

When a reference is made in this Agreement to an Article, Section, Schedule, Appendix or Exhibit, such reference shall be to an Article or Section of, or a Schedule, Appendix

or Exhibit to, this Agreement unless otherwise indicated. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”. The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. References to a Person herein are also to its permitted successors and assigns.

Section 13.16 Appendices and Exhibits.

The appendices and exhibits attached hereto are incorporated and made a part of this Agreement.

Section 13.17 Counterparts.

This Agreement may be executed in counterparts, each of which so executed shall be deemed an original, and the counterparts together shall constitute one and the same instrument.

Section 13.18 Modification in Writing.

No modification, amendment, waiver or release of any provision of this Agreement or of any right, obligation, claim or cause of action arising hereunder shall be valid or binding for any purpose unless in writing and duly executed by the party against whom the same is asserted.

Section 13.19 Captions.

The table of contents and captions of this Agreement are for convenience of reference only and in no way define, limit or describe the scope or intent of the Agreement or in any way affect this Agreement.

Section 13.20 Completeness.

This Agreement contains all the terms and conditions agreed upon by the parties hereto, and no other agreement, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto.

Section 13.21 Corporation (NYCEDC) Approval.

Whenever in this Agreement (including in the Appendices hereto) the Corporation's (NYCEDC's) approval is required, such approval shall be given or withheld by the Corporation (NYCEDC) in its sole discretion unless otherwise specifically provided in any particular instance by the terms of this Agreement.

Section 13.22 Survival.

Rights and obligations which by their nature should survive or which this Agreement expressly states will survive will remain in full force and effect following termination or expiration of this Agreement.

Section 13.23 Work Product.

A. **"Pre-Existing Materials"** mean any methodologies, software, materials, concepts, project tools or other intellectual property, materials, or tangible or intangible property, information or data that was created by or on behalf of a party prior to the Effective Date or independently (outside of the scope of this Agreement) as well as derivative works, modifications, enhancements, or improvements of any of the foregoing. Pre-Existing Materials supplied by the Corporation shall be referred to as **"Corporation Pre-Existing Materials"** whereas Pre-Existing supplied by or on behalf of Operator shall be considered **"Operator Pre-Existing Materials."**

B. Each party will own its Pre-Existing Materials. The Corporation shall own all right, title, and interest in and to the Corporation Pre-Existing Materials and the Operator shall own

all right, title, and interest in and to the Operator Pre-Existing Materials. To the extent that either party or its employees or contractors acquires any ownership or proprietary rights hereunder (other than the licenses specified herein) in and to the other party's Pre-Existing Materials, such party hereby assigns to the other party all right, title, and interest in and to such other party's Pre-Existing Materials. Each party will cause its employees and contractors to execute assignment of intellectual property agreements to enable such party to convey any intellectual property as provided in this Agreement.

C. **"Work Product"** means all reports, plans, studies, surveys, data, databases, programs, processes, systems, drawings, tracings, blueprints, photographs, computer drawings, schematics, specifications, log books, correspondence, models, studies, permits approvals, designs, deliverables, samples, presentation materials, analyses, punch lists, submissions, filings, applications, schedules, documents and materials, including, without limitation, those related to inspections, tests and test results, that may be developed or created hereunder following the Effective Date (excluding any Pre-Existing Materials or Third Party Materials), and prepared or furnished by the Operator pursuant to this Agreement (in all formats now known or hereinafter known).

D. Any Work Product shall be considered "work-made-for-hire" within the meaning and purview of Section 101 of the United States Copyright Act, 17 U.S.C. § 101, and the Corporation shall be the copyright owner thereof and of all aspects, elements and components thereof in which copyright protection might subsist. To the extent that the Work Product does not qualify as a "work-made-for-hire," the Operator hereby irrevocably transfers, assigns and conveys exclusive copyright ownership in and to the Work Product to the Corporation, free and clear of any liens, claims or other encumbrances. The Operator shall retain no copyright or other intellectual

property interest in the Work Product, other than the Operator's retained ownership of Operator Pre-Existing Materials and the royalty-free, non-exclusive license granted to the Operator with respect to the Work Product, and derivative works of the Work Product pursuant to Section 13.23(F) below.

E. To the extent that the Work Product does not qualify as a "work-made-for hire", Operator acknowledges the existence, *if any*, of its statutory rights as those rights are described in 17 U.S.C. § 106A(a), and knowingly executes this Contract on the following terms: (i) this waiver applies to the Work Product and to any promotional materials connected with the Work Product; (ii) the Operator hereby expressly and forever waives any and all rights under 17 U.S.C. § 106A, and any rights arising under U.S. federal or state law or under the laws of any other country that conveys rights of the same nature as those conveyed by 17 U.S.C. § 106A, or any other type of moral right or droit moral to the extent permitted under applicable laws. This Section 13.23(E) is subject to exceptions on a case-by-case basis, any such exception to be permitted at the Corporation's sole discretion.

F. Subject to the terms and conditions of this Agreement, the Corporation hereby grants to the Operator a royalty-free, worldwide, non-exclusive, perpetual license to install, use, modify, enhance, copy, and distribute any Work Product or derivative works of the Work Product that pertain to the Dashboard ("**Licensed Dashboard IP**") in conjunction with any of the Operator's products or services (or those of its successors or assigns) existing as of the Commencement Date; provided, however, that such products or services do not directly or indirectly compete with the CFS. The Operator may not sell, license or otherwise transfer or permit or allow the use of the Licensed Dashboard IP to/by a third party as a product or service without the Corporation's written prior approval, which such approval shall be granted in the

Corporation's sole discretion. For the avoidance of doubt, the Operator's use of the Opt In Passenger Information shall be governed by Section 8.03(A)(5).

G. The Operator represents and warrants that, to its knowledge, the Work Product shall not violate or infringe any copyright, trademark or other applicable law. The Operator agrees to defend, indemnify and hold harmless the Corporation and the City and their respective officers, officials, agents, members, directors, and employees against any damage or liability arising out of any third party claims arising from the Operator's breach of the foregoing representation or any third party claims alleging that the Work Product infringes or misappropriates any third party copyright or trademark.

H. The Operator represents and warrants that to the extent that the Work Product incorporates non-original material, the Operator shall obtain and provide the Corporation with copies of all necessary consents, in writing, for the use of such non-original material under this Agreement. Since some licenses for materials may be for a limited duration, the Operator shall specify, in writing, to the Corporation all applicable duration restrictions. The Operator will notify the Corporation, in writing, of any changes in such duration restrictions during the term of this Agreement.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Corporation and the Operator have executed this Agreement, as of the date and year above written.

NEW YORK CITY ECONOMIC
DEVELOPMENT CORPORATION

HNY Ferry, LLC

A handwritten signature in black ink, appearing to read "T. MacRae", written in a cursive style.

By: _____

By: Terry MacRae

Title: _____

Title: CEO

IN WITNESS WHEREOF, the Corporation and the Operator have executed this

Agreement, as of the date and year above written.

NEW YORK CITY ECONOMIC
DEVELOPMENT CORPORATION

HNY Ferry, LLC

Two handwritten signatures in black ink. The first signature is 'Matthew Kwatinetz' and the second is 'Terry MacRae'.

By: Matthew Kwatinetz

By: Terry MacRae

Title: Executive Vice President

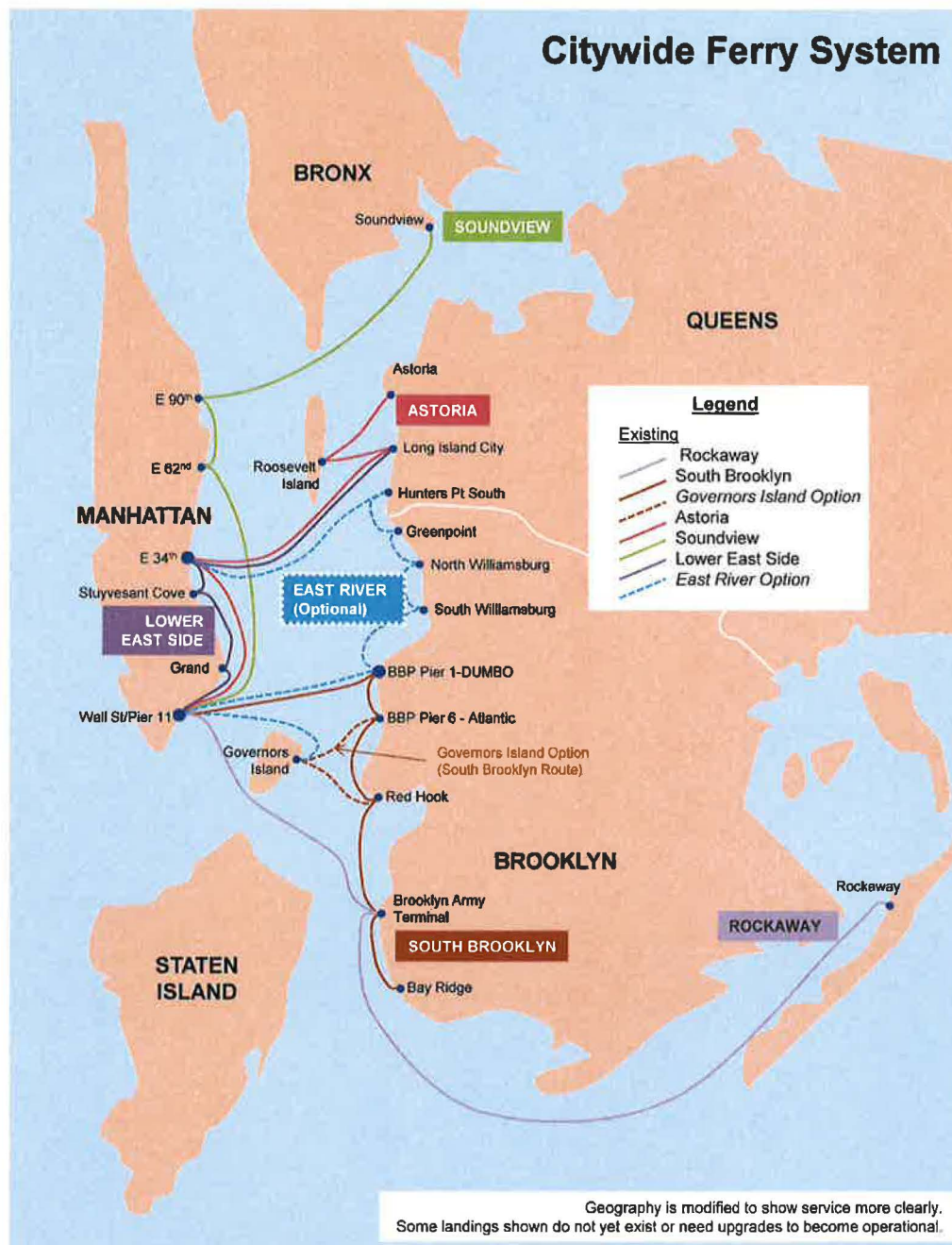
Title: CEO

APPENDIX A - SERVICE PLAN

Routes

The following Routes (the “Ferry Routes”) comprise the CFS as shown in the map below. Those Routes designated as Optional are described under item 7 below. The one-way sequence of Landing Sites to be served by each Route is described below; the sequence will be reversed on a return trip.

1. **Rockaway Route:** Wall Street/Pier 11, Brooklyn Army Terminal Pier 4, Rockaway.
2. **South Brooklyn Route:** Wall Street/Pier 11, Brooklyn Bridge Park Pier 1/DUMBO, Brooklyn Bridge Park Pier 6/Atlantic Ave, Red Hook, Brooklyn Army Terminal Pier 4, Bay Ridge.
3. **Astoria Route:** Wall Street/Pier 11, East 34th Street, Long Island City, Roosevelt Island, Astoria.
4. **Lower East Side Route:** Wall Street/Pier 11, Grand Street, Stuyvesant Cove, East 34th Street, Long Island City.
5. **Soundview Route:** Wall Street/Pier 11, East 62nd Street, East 90th Street, Soundview.
6. **Optional South Brooklyn Route with Governors Island (to be included in accordance with the terms of this Agreement at NYCEDC’s sole option):** Wall Street/Pier 11, Brooklyn Bridge Park Pier 1 /DUMBO, Brooklyn Bridge Park Pier 6/Atlantic Ave, Governors Island, Red Hook, Brooklyn Army Terminal Pier 4, Bay Ridge.
7. **Optional East River Route (also referred to as the Add Alternate Route) (to be included in accordance with the terms of this Agreement at NYCEDC’s sole option):** Governors Island (Summer Weekends Only), Wall Street/Pier 11, Brooklyn Bridge Park Pier 1/DUMBO, Schaefer Landing/South Williamsburg, North Williamsburg, India St/Greenpoint, Hunters Point South, East 34th Street.



The following are the Route Start Dates (RSD) for each Route (East River Route may be activated at a later date in accordance with the Agreement):

Route	RSD
Rockaway	May 1, 2017
South Brooklyn	June 1, 2017
Astoria	July 1, 2017
Lower East Side	May 1, 2018

Frequency of Service

Subject to the implementation of adjustments as contemplated by the Initiation Period provisions of Section 2.02(C)(3) of the Agreement, the following sets forth the minimum requirements for frequency of service; the parties may agree to exceed these requirements with additional service subject to Annual Vessel Service Hours and Service Change provisions of Section 6.03 of this Agreement.

The “**Days of Service**” for the CFS will be Monday through Sunday. Weekdays are defined as Monday, Tuesday, Wednesday, Thursday and Friday; weekends are defined as Saturday and Sunday. Days of Service include any federal, state or local holidays. For the purpose of this Agreement, the following Federal Holidays will be treated as Weekend days with respect to Time of Day and Minimum Service Levels: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. All other Federal Holidays will be treated as Weekdays with respect to Time of Day and Minimum Service Levels.

The “**Hours of Service**” for the CFS are 6:30 AM to 10:00 PM. The first trip of each day must depart the outermost Landing Site no later than 6:30AM, and the last trip must arrive at the outermost Landing Site no earlier than 10:00 PM.

Each day is divided into separate periods defining the “**Time of Day**.” Table 1 identifies the Time of Day.

Table 1 – Time of Day

Period	Weekday	Weekend
Early Off-Peak	6:30 a.m. to 7:00 a.m.	Weekend
AM Peak	7:00 a.m. to 9:30 a.m.	
Mid-Day Off-Peak	9:30 a.m. to 4:00 p.m.	
PM Peak	4:00 p.m. to 6:30 p.m.	
Late Off-Peak	6:30 p.m. to 10:00 p.m.	

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The year is divided into separate months defining the “**Service Season.**” Table 2 identifies the Service Seasons.

Table 2 – Service Season

Service Season	Months
Summer	April – August
Fall Shoulder	September – October
Winter	November – February
Spring Shoulder	March

The requirements for the Service Plan vary by Day of Service, Time of Day, Season, and Route and are expressed as a combination of “**Maximum Headway**” and “**Maximum Travel Time,**” as subsequently defined. Maximum Headway is the maximum time interval, in minutes, between the passing of Vessels moving along the same route in the same direction. Maximum Travel Time defines the maximum time interval, in minutes, for a single Vessel to traverse a route from the departure from the first Landing Site to the arrival at the last Landing Site.

TABLE 3 – CFS Ferry Minimum Service Level

Day of Service	Time of Day	Season	Route	Max Headway (minutes)	Max Travel Time, all times
Weekday	Peak (AM/PM Peak)	All-Seasons	Rockaway	60	60
			South Brooklyn	30	46
			Astoria	20	42
			Lower East Side	20	33
			Soundview	30	45
			East River	20	30
			South Brooklyn (with GI)	30	46
	Off Peak (Early, Mid-day, Late)	Summer and Shoulders (Fall/Spring)	Rockaway	60	
			South Brooklyn	45	
			Astoria	45	
			Lower East Side	45	
			Soundview	60	
			East River	30	
			South Brooklyn (with GI)	45	
		Winter	All Routes	60	
Weekend	All-Day	Summer	All Routes	45*	
		Shoulder	All Routes	60	
		Winter	All Routes	90	

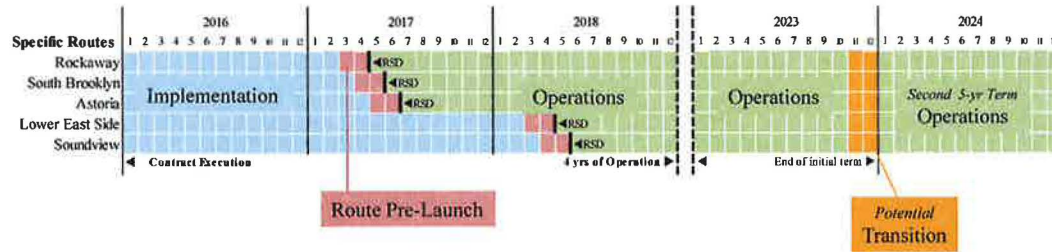
*The Rockaway Route may operate with a 60-minute Headway on Summer Weekends.

APPENDIX A - EXHIBIT 1 - PHASING OF SERVICES

Proposed Phasing for Ferry Operations Agreement

The final agreement is expected be organized in four phases. Dates are subject to negotiation and change.

1. Implementation – from contract execution until all routes are up and running. During this time, Operator will generate plans and execute major elements such as vessel acquisition, ticket vending machine procurement and staff training.
2. Route Pre-Launch – the 2 months immediately before a Route Start Date (RSD) during which route-specific preparations are made, including testing.
3. Operations – the majority of the contract, when a route has regular service.
4. Transition – to shut down service or transfer to another operator, as needed.



APPENDIX A- EXHIBIT 2 – SERVICES SAFETY REQUIREMENTS

The Operator shall perform the Services in accordance with the following safety requirements:

i. Safety Management System; General Right to Observe Operations

Safety Management System (SMS) or Equivalent ISO Management System	<p>The Operator must implement a Safety Management System or equivalent ISO Management System (the “SMS”) by the first Ferry Route Pre-Launch Date. The SMS System shall be subject to NYCEDC’s prior written approval as a part of the SOP Plan, such approval to be granted in NYCEDC’s sole discretion.</p> <p>Commencing six months from the Commencement Date of this Agreement, the “Auditor” must perform an annual audit and 2 periodical audits of the SMS per year (3 total audits, not more than one per Calendar Quarter). At a minimum, each of the 2 Audits must review: operations, management, safety, security and equipment. The Auditor shall provide a draft written report of all audit findings to Operator and NYCEDC thirty (30) days prior to the close of each audit. Within such thirty (30) days, the Operator shall have the opportunity to challenge the draft audit findings and seek to have the audit findings modified (any such challenge shall or modification shall be at the Operator’s sole cost and expense, and shall not be subject to reimbursement by the Corporation). NYCEDC may direct the Operator to make changes to SOPs based on any non-appealable and final audit findings.</p>
Auditor	<p>“Auditor” shall be an independent third party with at least 5 years of substantial maritime audit and consulting experience, including, without limitation, knowledge of the following: ISO and USCG regulations, deck, engine, maintenance management systems, general management and operations, passenger ferry services, security, facilities management, and development of SOPs.</p> <p>The Operator may not use an affiliated corporate entity or service provider to perform said annual audit services.</p>
NYCED	<p>The Operator shall afford representatives of NYCEDC reasonable opportunities to observe the Operator’s performance of the Services. No such observation or attendance by representatives of NYCEDC shall impose upon NYCEDC responsibility for any failure by NYCEDC to observe the requirements of all applicable federal, state and local laws, rules and regulations or constitute an acceptance of any work which does not comply with said requirements or the provisions of this Agreement.</p>

ii. Signal and Yield; Marine Casualty and Life Safety Incident

a. Signal and Yield. The Operator must respect other commercial vessel operators, recreational boaters, and waterfront users in the New York Harbor through proper radio etiquette, use of signals, and posting appropriate watches and lookouts. The Operator is required to yield at all times to human powered boats (e.g. sailboats, kayaks, canoes, and paddleboats).

b. Marine Casualty and Life Safety Incident. In the event of a Marine Casualty (as such term is used by the USCG) or life safety incident (i.e. incidents that may imminently result or have resulted in bodily harm or death) while operating a Vessel, the Operator shall notify NYCEDC as

soon as reasonably practicable, but no event longer than 10 minutes of notifying the USCG and, in the case of life safety incidents, dialing 911. Notification must be a phone call to NYCEDC followed up by an email to NYCEDC. The Operator shall conduct a post incident inspection and notify NYCEDC of the results in writing with a proposed course of action to ensure continuity of the Services. The Operator will provide NYCEDC with a hardcopy of all evidence, and a description of any remediation actions required to be taken by the USCG within [10] days of receipt of any USCG or regulatory body findings. NYCEDC and the City may elect in writing to perform an independent investigation and issue additional findings.

APPENDIX A - EXHIBIT 3 - SHUTTLE BUS SERVICE

- a. Generally. The Operator must provide Shuttle Bus services in connection with certain Ferry Routes pursuant to the Service Plan and the NYCEDC designated Shuttle Bus routes. The Operator is responsible for providing all of the necessary staff and equipment and acquiring all of the necessary permits and approvals to timely operate the Shuttle Bus service. Notwithstanding the foregoing, in the event that the necessary permits and approvals for certain Shuttle Bus service stops are unavailable as of the RSD, the Operator may begin providing Shuttle Bus service without all planned stops for a given Shuttle Bus route, subject to NYCEDC's prior written approval, such approval to be granted in NYCEDC's sole discretion.
- b. No Charge to ride Shuttle Buses. Shuttle Buses will be provided free of charge to all riders. For the avoidance of doubt, riders are not required to be ferry passengers.
- c. Vehicle Particulars. "**Shuttle Buses**" shall mean vehicles having a capacity of at least 28 passengers and be climate controlled and contain all necessary equipment, including, without limitation, communications equipment. Shuttle Buses must comply with the ADA and Local Law 68 (2005), as applicable, and be properly inspected and licensed by NYCDOT and USDOT. Shuttle Buses must adhere to Brand and Sponsorship requirements as directed in writing by NYCEDC.
- d. Service Disruptions. "**Service Disruptions**", meaning any event (mechanical failures, inclement weather, planned closures etc.) where the Schedule will not be maintained, must be communicated immediately to all customers and NYCEDC. The Operator shall implement methods for timely reporting Service Disruptions to customers as a part of the Traveler Information System and Customer Service Plan.
- e. Physical Appearance. The Operator must ensure that each Shuttle Bus is clean and well maintained – i.e. the Shuttle Bus must be neatly painted and all Branding and Sponsorship kept in "like-new" condition at all times. If NYCEDC, in its sole discretion, determines that the Branding and Sponsorship are not displayed in a well maintained manner, NYCEDC shall notify the Operator, and the Operator shall immediately switch out the Shuttle Bus in question. Unacceptable physical appearance of the Shuttle Bus other than Branding and Sponsorship may be remedied after the Shuttle Bus's service for the day is completed. The Operator has one scheduled service day to complete the repairs and must make immediate temporary repairs until fully remedied.
- f. Sub-Contracting for Shuttle Bus Service. The Operator may satisfy the Shuttle Bus service requirements through a sub-contract with a third-party operator. Any third party operator, and the corresponding agreement for the Shuttle Bus service, shall be subject to NYCEDC's prior written approval, such approval to be granted in NYCEDC's reasonable discretion.
- g. Shuttle Bus Stops. Shuttle Buses require defined stops. The number of stops for each route shall be jointly determined between NYCEDC and the Operator.

Three (3) Shuttle Bus routes are included in this Agreement: Rockaway West Shuttle Route, Rockaway East Shuttle Route, and the Midtown Loop Shuttle Route. A sample of each route is shown in Figures below. The final route, schedule, level of service and list of stops is to be mutually agreed upon between NYCEDC and the Operator in the Service Plan based upon the annual allocation by NYCEDC in Appendix A, Exhibit 4.

Shuttle Bus	Headway	Total Trip	Service Hours	Expected Bus
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Route		Time (including layover)		Requirement
Rockaway West	[60 min]	60 min	[6:00AM – 10:30PM]	1 bus
Rockaway East	[60 min]	60 min	[6:00AM – 10:30PM]	1 bus
Midtown Loop	[20 min]	40 min	[6:00AM – 10:30PM]	2 buses

Figure 1 Rockaway East

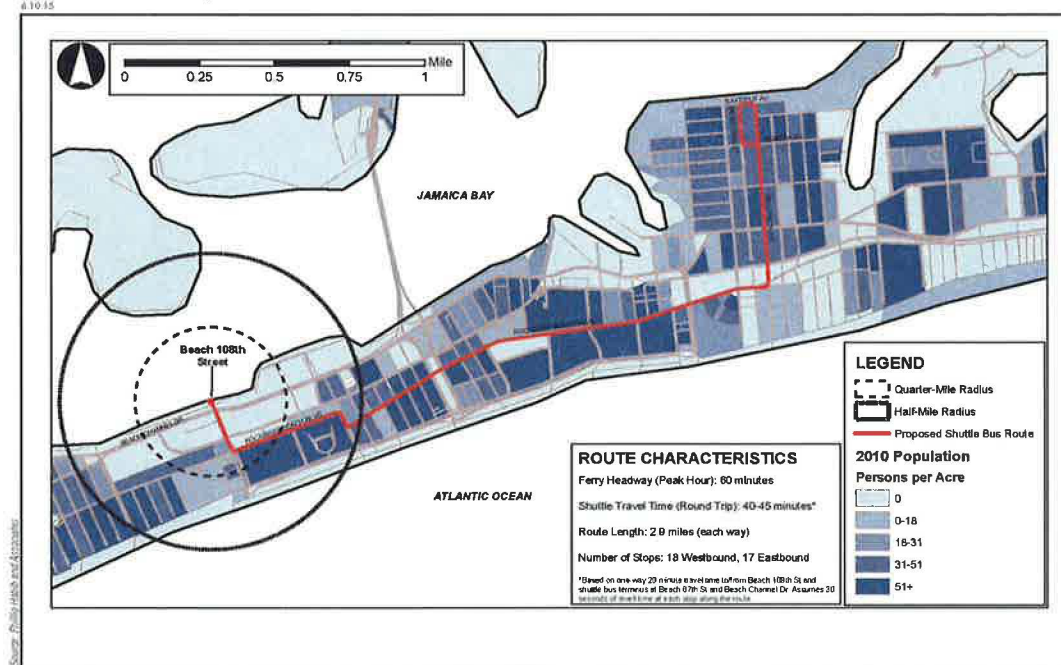


Figure 2 Rockaway West

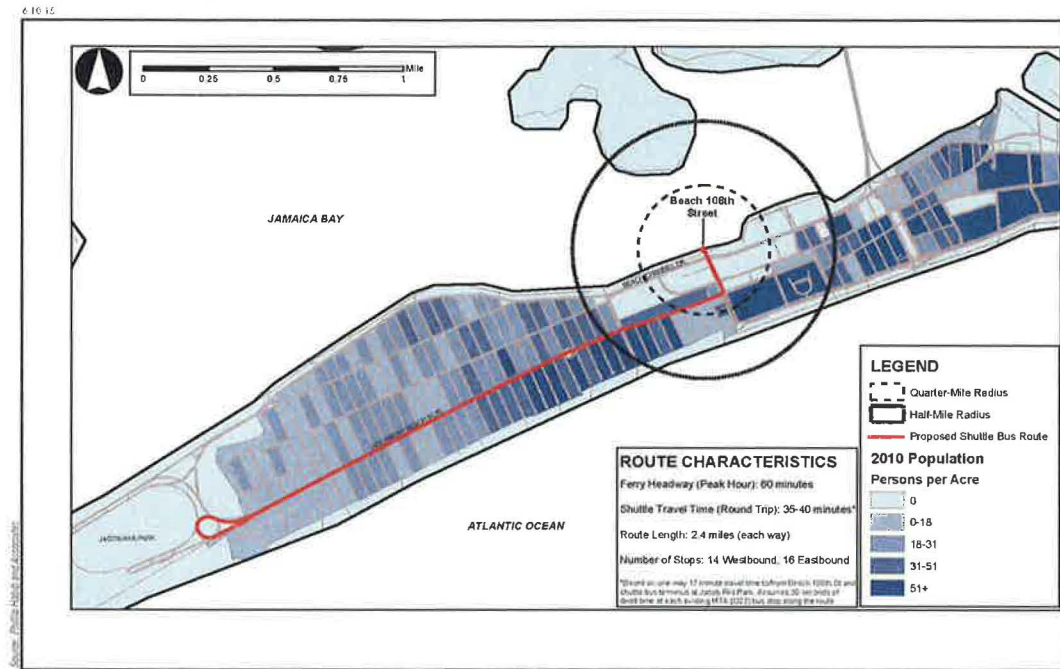
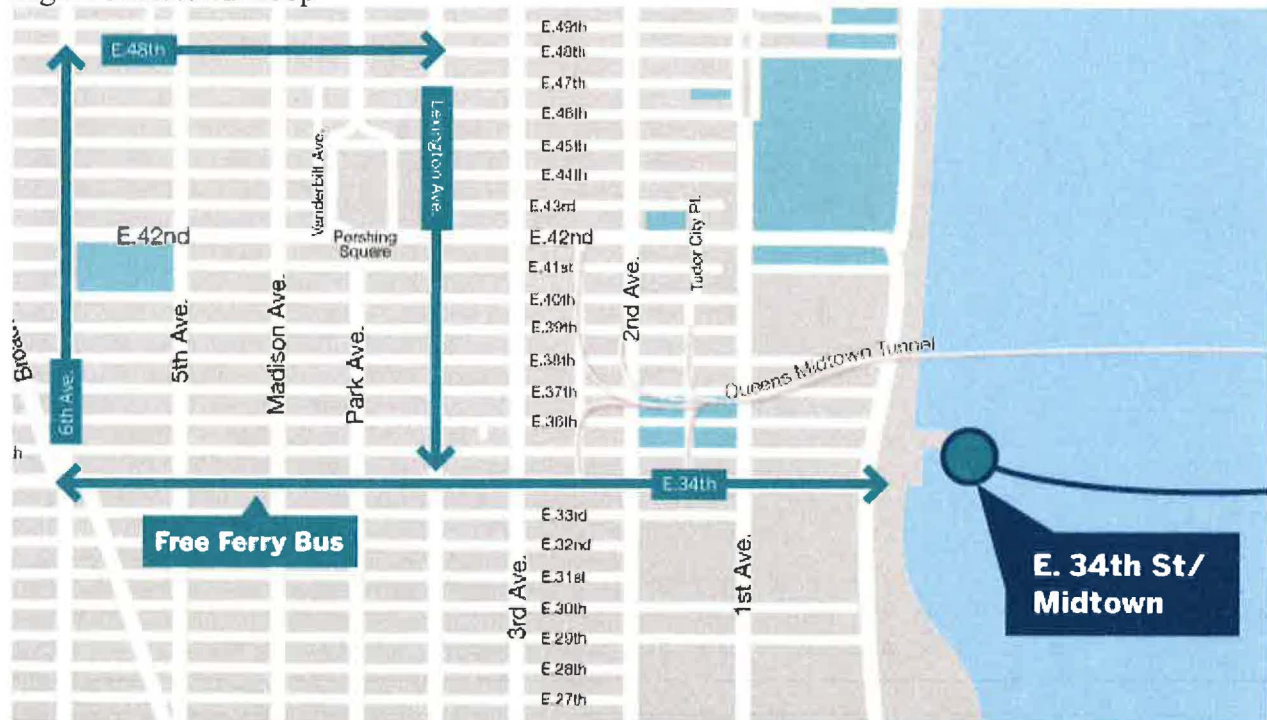


Figure 3 Midtown Loop



APPENDIX A - EXHIBIT 4 - COMPENSATION (To be replaced with updated)

[INCLUDE FUEL VOLUME CAP]

[INCLUDE AVSH]

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario A - Add Alternate Route Start Date = October 1, 2017

Payment Schedule including Add Alternate Route

Table 4.1: Scheduled Cost of Operations including Add Alternate Route
Scheduled Operating Payments (excludes Fuel which is a reimbursable expense)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ 10,158,038
February	\$ -	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ 10,158,038
March	\$ -	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ 10,158,038
April	\$ -	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ 10,158,038
May	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
June	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
July	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
August	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
September	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
October	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
November	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
December	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
Total	\$ -	\$ 17,477,557	\$ 25,158,664	\$ 23,267,510	\$ 18,598,522	\$ 16,232,015	\$ 15,890,980	\$ 5,271,203	\$ 121,896,451

Table 4.2:
Management Fees including Add Alternate Route Management Fee earned as shown below, and except July 2016 to April 2017 is paid per Article 3.01(D)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
February	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
March	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
April	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
May	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 674,457
June	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 674,457
July	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
August	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
September	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
October	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
November	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
December	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
Incentive*	\$ 263,496	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 112,409	\$ 2,399,276
Total	937,953	1,686,142	1,686,142	1,686,142	1,686,142	1,686,142	1,686,142	562,047	11,616,852

Asterisk (*) denotes 20% of Management Fee. Please refer to Section 3.01 D of the Agreement for Management Incentive

Table 4.3:
Start-Up Costs and Startup Milestone Payments including Add Alternate Route (Bell Curve Illustrated-Final Schedule to be Based on Milestone Progress)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
February	\$ -	\$ 220,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,000
March	\$ -	\$ 710,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 710,000
April	\$ -	\$ 610,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 610,000
May	\$ 170,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290,000
June	\$ 295,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 415,000
July	\$ 120,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,000
August	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
September	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
October	\$ 515,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 515,000
November	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
December	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
Total	\$ 1,580,000	\$ 2,020,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,600,000

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario A - Add Alternate Route Start Date = October 1, 2017

Table 4.4:

Component Fee - Homeporting Cost including Add Alternate Route

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
February	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
March	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
April	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
May	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
June	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
July	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
August	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
September	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
October	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
November	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
December	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
Total	\$ -	\$ 390,000	\$ 765,000	\$ 855,000	\$ 855,000	\$ 855,000	\$ 855,000	\$ 285,000	\$ 4,860,000

Table 4.5:

Component Fee - Shuttlebus Costs including Add Alternate Route Allowance item; averaged over the initial Agreement term

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
February	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
March	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
April	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
May	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
June	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
July	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
August	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
September	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
October	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
November	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
December	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
Total	\$ -	\$ 1,073,333	\$ 1,642,200	\$ 1,691,466	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ 566,667	\$ 10,073,666

Table 4.6

Component Fee - Ticketing Fee Costs including Add Alternate Route Fee is ridership based and by agreement may not be removed during the initial term

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
February	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
March	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
April	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
May	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
June	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
July	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
August	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
September	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
October	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
November	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
December	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
Total	\$ -	\$ 330,938	\$ 647,829	\$ 762,761	\$ 825,113	\$ 892,728	\$ 965,612	\$ 330,164	\$ 4,755,144

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario A - Add Alternate Route Start Date = October 1, 2017

Table 4.7

Component Fee - Vessel Usage Fee including Add Alternate Route

Vessel Purchase Credit Applicable in Each Year including Add Alternate Route 20% of Post Purchase Vessel Fees as Scheduled using \$65,943,628 Vessel Acquisition Cost
 Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
February	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
March	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
April	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
May	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 902,610
June	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
July	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
August	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
September	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
October	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
November	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
December	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 1,096,026
Total	\$ -	\$ 128,944	\$ 1,998,637	\$ 2,320,997	\$ 2,320,997	\$ 2,320,997	\$ 2,320,997	\$ 773,666	\$ 12,185,236

Table 4.8

Fuel Volume Cap including Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Gallons
Fuel Cap		1,501,140	2,833,660	3,124,635	3,124,635	3,124,635	3,124,635	1,041,545	17,874,888

Table 4.9

Average Vessel Service Hours (AVSH) including Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Hours
Total Hours	-	32,198	51,571	53,208	53,208	53,208	53,208	17,736	314,337

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario A - Add Alternate Route Start Date = October 1, 2017

Payment Schedule excluding Add Alternate Route

Table 4.1: Scheduled Cost of Operations excluding Add Alternate Route
Scheduled Operating Payments (excludes Fuel which is a reimbursable expense)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 1,454,988	\$ 1,885,474	\$ 1,865,870	\$ 1,265,706	\$ 1,250,514	\$ 1,234,867	\$ 8,957,418
February	\$ -	\$ -	\$ 1,454,988	\$ 1,885,474	\$ 1,865,870	\$ 1,265,706	\$ 1,250,514	\$ 1,234,867	\$ 8,957,418
March	\$ -	\$ -	\$ 1,454,988	\$ 1,885,474	\$ 1,865,870	\$ 1,265,706	\$ 1,250,514	\$ 1,234,867	\$ 8,957,418
April	\$ -	\$ -	\$ 1,454,988	\$ 1,885,474	\$ 1,865,870	\$ 1,265,706	\$ 1,250,514	\$ 1,234,867	\$ 8,957,418
May	\$ -	\$ 1,454,988	\$ 1,885,474	\$ 1,865,870	\$ 1,265,706	\$ 1,250,514	\$ 1,234,867	\$ -	\$ 8,957,418
June	\$ -	\$ 1,454,988	\$ 1,885,474	\$ 1,865,870	\$ 1,265,706	\$ 1,250,514	\$ 1,234,867	\$ -	\$ 8,957,418
July	\$ -	\$ 1,454,988	\$ 1,885,474	\$ 1,865,870	\$ 1,265,706	\$ 1,250,514	\$ 1,234,867	\$ -	\$ 8,957,418
August	\$ -	\$ 1,454,988	\$ 1,885,474	\$ 1,865,870	\$ 1,265,706	\$ 1,250,514	\$ 1,234,867	\$ -	\$ 8,957,418
September	\$ -	\$ 1,454,988	\$ 1,885,474	\$ 1,865,870	\$ 1,265,706	\$ 1,250,514	\$ 1,234,867	\$ -	\$ 8,957,418
October	\$ -	\$ 1,454,988	\$ 1,885,474	\$ 1,865,870	\$ 1,265,706	\$ 1,250,514	\$ 1,234,867	\$ -	\$ 8,957,418
November	\$ -	\$ 1,454,988	\$ 1,885,474	\$ 1,865,870	\$ 1,265,706	\$ 1,250,514	\$ 1,234,867	\$ -	\$ 8,957,418
December	\$ -	\$ 1,454,988	\$ 1,885,474	\$ 1,865,870	\$ 1,265,706	\$ 1,250,514	\$ 1,234,867	\$ -	\$ 8,957,418
Total	\$ -	\$ 11,639,904	\$ 20,903,742	\$ 22,468,855	\$ 17,589,126	\$ 15,066,935	\$ 14,880,988	\$ 4,939,466	\$ 107,489,015

Table 4.2:
Management Fees excluding Add Alternate Route Management Fee earned as shown below, and except July 2016 to April 2017 is paid per Article 3.01(D)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 652,409
February	\$ -	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 652,409
March	\$ -	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 652,409
April	\$ -	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 652,409
May	\$ -	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 540,000
June	\$ -	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 540,000
July	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
August	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
September	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
October	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
November	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
December	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
Incentive*	\$ 263,496	\$ 292,409	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 90,000	\$ 1,995,905
Total	937,953	1,462,047	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	450,000	9,600,000

Asterisk (*) denotes 20% of Management Fee. Please refer to Section 3.01 D of the Agreement for Management Incentive

Table 4.3:
Start-Up Costs and Startup Milestone Payments excluding Add Alternate Route (Bell Curve Illustrated-Final Schedule to be Based on Milestone Progress)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 104,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,500
February	\$ -	\$ 214,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,000
March	\$ -	\$ 655,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 655,000
April	\$ -	\$ 540,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 540,418
May	\$ 165,000	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280,000
June	\$ 290,000	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,000
July	\$ 115,000	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,000
August	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
September	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
October	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,000
November	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
December	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
Total	\$ 1,305,000	\$ 1,858,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,163,918

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario A - Add Alternate Route Start Date = October 1, 2017

Table 4.4:

Component Fee - Homeporting Cost excluding Add Alternate Route

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
February	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
March	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
April	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
May	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
June	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
July	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
August	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
September	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
October	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
November	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
December	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
Total	\$ -	\$ 300,000	\$ 630,000	\$ 720,000	\$ 720,000	\$ 720,000	\$ 720,000	\$ 240,000	\$ 4,050,000

Table 4.5:

Component Fee - Shuttlebus Costs excluding Add Alternate Route Allowance item; averaged over the initial Agreement term

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
February	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
March	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
April	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
May	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
June	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
July	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
August	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
September	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
October	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
November	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
December	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
Total	\$ -	\$ 730,000	\$ 1,116,900	\$ 1,150,407	\$ 1,142,709	\$ 1,125,991	\$ 1,108,770	\$ 367,658	\$ 6,742,435

Table 4.6

Component Fee - Ticketing Fee Costs excluding Add Alternate Route Fee is ridership based and by agreement may not be removed during the initial term

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
February	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
March	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
April	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
May	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
June	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
July	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
August	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
September	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
October	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
November	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
December	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
Total	\$ -	\$ 135,929	\$ 346,904	\$ 434,891	\$ 467,209	\$ 505,287	\$ 546,468	\$ 186,849	\$ 2,623,538

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario A - Add Alternate Route Start Date = October 1, 2017

Table 4.7

Component Fee - Vessel Usage Fee excluding Add Alternate Route

Vessel Purchase Credit Applicable in Each Year excluding Add Alternate Route, 20% of Post Purchase Vessel Fees as Scheduled using \$55,551,836 Vessel Acquisition Cost
 Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
February	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
March	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
April	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
May	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 741,430
June	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
July	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
August	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
September	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
October	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
November	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
December	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 902,610
Total	\$ -	\$ 96,708	\$ 1,611,804	\$ 1,934,164	\$ 1,934,164	\$ 1,934,164	\$ 1,934,164	\$ 644,721	\$ 10,089,891

Table 4.8

Fuel Volume Cap excluding Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Gallons
Fuel Cap	-	1,150,299	2,307,398	2,598,373	2,598,373	2,598,373	2,598,373	866,124	14,717,313

Table 4.9

Average Vessel Service Hours (AVSH) excluding Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Hours
Total Hours	-	27,758	43,384	43,384	43,384	43,384	43,384	14,461	259,139

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario B - Add Alternate Route Start Date = July 1, 2019

Payment Schedule including Add Alternate Route

Table 4.1: Scheduled Cost of Operations including Add Alternate Route
Scheduled Operating Payments (excludes Fuel which is a reimbursable expense)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ 10,158,038
February	\$ -	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ 10,158,038
March	\$ -	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ 10,158,038
April	\$ -	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ 10,158,038
May	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
June	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
July	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
August	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
September	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
October	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
November	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
December	\$ -	\$ 2,184,695	\$ 2,052,486	\$ 1,882,196	\$ 1,383,717	\$ 1,337,143	\$ 1,317,801	\$ -	\$ 10,158,038
Total	\$ -	\$ 17,477,557	\$ 25,158,664	\$ 23,267,510	\$ 18,598,522	\$ 16,232,015	\$ 15,890,980	\$ 5,271,203	\$ 121,896,451

Table 4.2:
Management Fees including Add Alternate Route Management Fee earned as shown below, and except July 2016 to April 2017 is paid per Article 3.01(D)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
February	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
March	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
April	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
May	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 674,457
June	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 674,457
July	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
August	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
September	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
October	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
November	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
December	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
Incentive*	\$ 263,496	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 112,409	\$ 2,399,276
Total	937,953	1,686,142	1,686,142	1,686,142	1,686,142	1,686,142	1,686,142	562,047	11,616,852

Asterisk (*) denotes 20% of Management Fee. Please refer to Section 3.01 D of the Agreement for Management Incentive

Table 4.3:
Start-Up Costs and Startup Milestone Payments including Add Alternate Route (Bell Curve Illustrated-Final Schedule to be Based on Milestone Progress)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
February	\$ -	\$ 220,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,000
March	\$ -	\$ 710,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 710,000
April	\$ -	\$ 610,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 610,000
May	\$ 170,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290,000
June	\$ 295,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 415,000
July	\$ 120,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,000
August	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
September	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
October	\$ 515,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 515,000
November	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
December	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
Total	\$ 1,580,000	\$ 2,020,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,600,000

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario B - Add Alternate Route Start Date = July 1, 2019

Table 4.4:

Component Fee - Homeporting Cost including Add Alternate Route

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
February	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
March	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
April	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
May	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
June	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
July	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
August	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
September	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
October	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
November	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
December	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
Total	\$ -	\$ 390,000	\$ 765,000	\$ 855,000	\$ 855,000	\$ 855,000	\$ 855,000	\$ 285,000	\$ 4,860,000

Table 4.5:

Component Fee - Shuttlebus Costs including Add Alternate Route Allowance item; averaged over the initial Agreement term

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
February	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
March	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
April	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
May	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
June	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
July	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
August	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
September	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
October	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
November	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
December	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
Total	\$ -	\$ 1,073,333	\$ 1,642,200	\$ 1,691,466	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ 566,667	\$ 10,073,666

Table 4.6

Component Fee - Ticketing Fee Costs including Add Alternate Route Fee is ridership based and by agreement may not be removed during the initial term

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
February	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
March	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
April	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
May	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
June	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
July	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
August	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
September	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
October	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
November	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
December	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
Total	\$ -	\$ 330,938	\$ 647,829	\$ 762,761	\$ 825,113	\$ 892,728	\$ 965,612	\$ 330,164	\$ 4,755,144

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario B - Add Alternate Route Start Date = July 1, 2019

Table 4.7

Component Fee - Vessel Usage Fee including Add Alternate Route

Vessel Purchase Credit Applicable in Each Year including Add Alternate Route 20% of Post Purchase Vessel Fees as Scheduled using \$65,943,628 Vessel Acquisition Cost
 Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
February	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
March	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
April	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
May	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 902,610
June	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
July	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
August	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
September	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
October	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
November	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
December	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 1,096,026
Total	\$ -	\$ 128,944	\$ 1,998,637	\$ 2,320,997	\$ 2,320,997	\$ 2,320,997	\$ 2,320,997	\$ 773,666	\$ 12,185,236

Table 4.8

Fuel Volume Cap including Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Gallons
Fuel Cap		1,501,140	2,833,660	3,124,635	3,124,635	3,124,635	3,124,635	1,041,545	17,874,888

Table 4.9

Average Vessel Service Hours (AVSH) including Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Hours
Total Hours	-	32,198	51,571	53,208	53,208	53,208	53,208	17,736	314,337

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario B - Add Alternate Route Start Date = July 1, 2019

Payment Schedule excluding Add Alternate Route

Table 4.1: Scheduled Cost of Operations excluding Add Alternate Route
Scheduled Operating Payments (excludes Fuel which is a reimbursable expense)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 1,591,481	\$ 2,062,351	\$ 2,040,908	\$ 1,384,442	\$ 1,367,825	\$ 1,350,710	\$ 9,797,717
February	\$ -	\$ -	\$ 1,591,481	\$ 2,062,351	\$ 2,040,908	\$ 1,384,442	\$ 1,367,825	\$ 1,350,710	\$ 9,797,717
March	\$ -	\$ -	\$ 1,591,481	\$ 2,062,351	\$ 2,040,908	\$ 1,384,442	\$ 1,367,825	\$ 1,350,710	\$ 9,797,717
April	\$ -	\$ -	\$ 1,591,481	\$ 2,062,351	\$ 2,040,908	\$ 1,384,442	\$ 1,367,825	\$ 1,350,710	\$ 9,797,717
May	\$ -	\$ 1,591,481	\$ 2,062,351	\$ 2,040,908	\$ 1,384,442	\$ 1,367,825	\$ 1,350,710	\$ -	\$ 9,797,717
June	\$ -	\$ 1,591,481	\$ 2,062,351	\$ 2,040,908	\$ 1,384,442	\$ 1,367,825	\$ 1,350,710	\$ -	\$ 9,797,717
July	\$ -	\$ 1,591,481	\$ 2,062,351	\$ 2,040,908	\$ 1,384,442	\$ 1,367,825	\$ 1,350,710	\$ -	\$ 9,797,717
August	\$ -	\$ 1,591,481	\$ 2,062,351	\$ 2,040,908	\$ 1,384,442	\$ 1,367,825	\$ 1,350,710	\$ -	\$ 9,797,717
September	\$ -	\$ 1,591,481	\$ 2,062,351	\$ 2,040,908	\$ 1,384,442	\$ 1,367,825	\$ 1,350,710	\$ -	\$ 9,797,717
October	\$ -	\$ 1,591,481	\$ 2,062,351	\$ 2,040,908	\$ 1,384,442	\$ 1,367,825	\$ 1,350,710	\$ -	\$ 9,797,717
November	\$ -	\$ 1,591,481	\$ 2,062,351	\$ 2,040,908	\$ 1,384,442	\$ 1,367,825	\$ 1,350,710	\$ -	\$ 9,797,717
December	\$ -	\$ 1,591,481	\$ 2,062,351	\$ 2,040,908	\$ 1,384,442	\$ 1,367,825	\$ 1,350,710	\$ -	\$ 9,797,717
Total	\$ -	\$ 12,731,848	\$ 22,864,730	\$ 24,576,667	\$ 19,239,169	\$ 16,480,370	\$ 16,276,980	\$ 5,402,839	\$ 117,572,603

Table 4.2:
Management Fees excluding Add Alternate Route Management Fee earned as shown below, and except July 2016 to April 2017 is paid per Article 3.01(D)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 652,409
February	\$ -	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 652,409
March	\$ -	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 652,409
April	\$ -	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 652,409
May	\$ -	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 540,000
June	\$ -	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 540,000
July	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
August	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
September	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
October	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
November	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
December	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
Incentive*	\$ 263,496	\$ 292,409	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 90,000	\$ 1,995,905
Total	937,953	1,462,047	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	450,000	9,600,000

Asterisk (*) denotes 20% of Management Fee. Please refer to Section 3.01 D of the Agreement for Management Incentive

Table 4.3:
Start-Up Costs and Startup Milestone Payments excluding Add Alternate Route (Bell Curve Illustrated-Final Schedule to be Based on Milestone Progress)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 104,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,500
February	\$ -	\$ 214,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,000
March	\$ -	\$ 655,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 655,000
April	\$ -	\$ 540,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 540,418
May	\$ 165,000	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280,000
June	\$ 290,000	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,000
July	\$ 115,000	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,000
August	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
September	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
October	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,000
November	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
December	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
Total	\$ 1,305,000	\$ 1,858,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,163,918

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario B - Add Alternate Route Start Date = July 1, 2019

Table 4.4:

Component Fee - Homeporting Cost excluding Add Alternate Route

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
February	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
March	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
April	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
May	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
June	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
July	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
August	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
September	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
October	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
November	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
December	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
Total	\$ -	\$ 300,000	\$ 630,000	\$ 720,000	\$ 720,000	\$ 720,000	\$ 720,000	\$ 240,000	\$ 4,050,000

Table 4.5:

Component Fee - Shuttlebus Costs excluding Add Alternate Route Allowance item; averaged over the initial Agreement term

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
February	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
March	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
April	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
May	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
June	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
July	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
August	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
September	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
October	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
November	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
December	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
Total	\$ -	\$ 730,000	\$ 1,116,900	\$ 1,150,407	\$ 1,142,709	\$ 1,125,991	\$ 1,108,770	\$ 367,658	\$ 6,742,435

Table 4.6

Component Fee - Ticketing Fee Costs excluding Add Alternate Route Fee is ridership based and by agreement may not be removed during the initial term

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
February	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
March	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
April	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
May	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
June	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
July	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
August	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
September	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
October	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
November	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
December	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
Total	\$ -	\$ 135,929	\$ 346,904	\$ 434,891	\$ 467,209	\$ 505,287	\$ 546,468	\$ 186,849	\$ 2,623,538

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario B - Add Alternate Route Start Date = July 1, 2019

Table 4.7

Component Fee - Vessel Usage Fee excluding Add Alternate Route

Vessel Purchase Credit Applicable in Each Year excluding Add Alternate Route, 20% of Post Purchase Vessel Fees as Scheduled using \$55,551,836 Vessel Acquisition Cost
 Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement:

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
February	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
March	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
April	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
May	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 741,430
June	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
July	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
August	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
September	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
October	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
November	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
December	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 902,610
Total	\$ -	\$ 96,708	\$ 1,611,804	\$ 1,934,164	\$ 1,934,164	\$ 1,934,164	\$ 1,934,164	\$ 644,721	\$ 10,089,891

Table 4.8

Fuel Volume Cap excluding Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Gallons
Fuel Cap	-	1,261,299	2,473,898	2,764,873	2,764,873	2,764,873	2,764,873	921,624	15,716,315

Table 4.9

Average Vessel Service Hours (AVSH) excluding Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Hours
Total Hours	-	27,758	43,384	43,384	43,384	43,384	43,384	14,461	259,139

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario C - Add Alternate Route Start Date = July 1, 2021

Payment Schedule including Add Alternate Route

Table 4.1: Scheduled Cost of Operations including Add Alternate Route

Scheduled Operating Payments (excludes Fuel which is a reimbursable expense) (includes risk factor adjustment of \$2,137,797)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 2,223,009	\$ 2,088,482	\$ 1,915,206	\$ 1,407,985	\$ 1,360,594	\$ 1,340,912	\$ 10,336,187
February	\$ -	\$ -	\$ 2,223,009	\$ 2,088,482	\$ 1,915,206	\$ 1,407,985	\$ 1,360,594	\$ 1,340,912	\$ 10,336,187
March	\$ -	\$ -	\$ 2,223,009	\$ 2,088,482	\$ 1,915,206	\$ 1,407,985	\$ 1,360,594	\$ 1,340,912	\$ 10,336,187
April	\$ -	\$ -	\$ 2,223,009	\$ 2,088,482	\$ 1,915,206	\$ 1,407,985	\$ 1,360,594	\$ 1,340,912	\$ 10,336,187
May	\$ -	\$ 2,223,009	\$ 2,088,482	\$ 1,915,206	\$ 1,407,985	\$ 1,360,594	\$ 1,340,912	\$ -	\$ 10,336,187
June	\$ -	\$ 2,223,009	\$ 2,088,482	\$ 1,915,206	\$ 1,407,985	\$ 1,360,594	\$ 1,340,912	\$ -	\$ 10,336,187
July	\$ -	\$ 2,223,009	\$ 2,088,482	\$ 1,915,206	\$ 1,407,985	\$ 1,360,594	\$ 1,340,912	\$ -	\$ 10,336,187
August	\$ -	\$ 2,223,009	\$ 2,088,482	\$ 1,915,206	\$ 1,407,985	\$ 1,360,594	\$ 1,340,912	\$ -	\$ 10,336,187
September	\$ -	\$ 2,223,009	\$ 2,088,482	\$ 1,915,206	\$ 1,407,985	\$ 1,360,594	\$ 1,340,912	\$ -	\$ 10,336,187
October	\$ -	\$ 2,223,009	\$ 2,088,482	\$ 1,915,206	\$ 1,407,985	\$ 1,360,594	\$ 1,340,912	\$ -	\$ 10,336,187
November	\$ -	\$ 2,223,009	\$ 2,088,482	\$ 1,915,206	\$ 1,407,985	\$ 1,360,594	\$ 1,340,912	\$ -	\$ 10,336,187
December	\$ -	\$ 2,223,009	\$ 2,088,482	\$ 1,915,206	\$ 1,407,985	\$ 1,360,594	\$ 1,340,912	\$ -	\$ 10,336,187
Total	\$ -	\$ 17,784,075	\$ 25,599,892	\$ 23,675,572	\$ 18,924,699	\$ 16,516,689	\$ 16,169,673	\$ 5,363,649	\$ 124,034,249

Table 4.2:

Management Fees including Add Alternate Route Management Fee earned as shown below, and except July 2016 to April 2017 is paid per Article 3.01(D)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
February	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
March	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
April	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
May	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 674,457
June	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 674,457
July	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
August	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
September	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
October	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
November	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
December	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
Incentive*	\$ 263,496	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 112,409	\$ 2,399,276
Total	937,953	1,686,142	1,686,142	1,686,142	1,686,142	1,686,142	1,686,142	562,047	11,616,852

Asterisk (*) denotes 20% of Management Fee. Please refer to Section 3.01 D of the Agreement for Management Incentive

Table 4.3:

Start-Up Costs and Startup Milestone Payments including Add Alternate Route (Bell Curve Illustrated-Final Schedule to be Based on Milestone Progress)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
February	\$ -	\$ 220,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,000
March	\$ -	\$ 710,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 710,000
April	\$ -	\$ 810,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 810,000
May	\$ 170,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290,000
June	\$ 295,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 415,000
July	\$ 120,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,000
August	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
September	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
October	\$ 515,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 515,000
November	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
December	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
Total	\$ 1,580,000	\$ 2,020,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,600,000

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario C - Add Alternate Route Start Date = July 1, 2021

Table 4.4:

Component Fee - Homeporting Cost including Add Alternate Route

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
February	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
March	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
April	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
May	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
June	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
July	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
August	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
September	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
October	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
November	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
December	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
Total	\$ -	\$ 390,000	\$ 765,000	\$ 855,000	\$ 855,000	\$ 855,000	\$ 855,000	\$ 285,000	\$ 4,860,000

Table 4.5:

Component Fee - Shuttlebus Costs including Add Alternate Route Allowance item; averaged over the initial Agreement term

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
February	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
March	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
April	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
May	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
June	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
July	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
August	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
September	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
October	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
November	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
December	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
Total	\$ -	\$ 1,073,333	\$ 1,642,200	\$ 1,691,466	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ 566,667	\$ 10,073,666

Table 4.6

Component Fee - Ticketing Fee Costs including Add Alternate Route Fee is ridership based and by agreement may not be removed during the initial term

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
February	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
March	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
April	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
May	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
June	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
July	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
August	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
September	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
October	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
November	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
December	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
Total	\$ -	\$ 330,938	\$ 647,829	\$ 762,761	\$ 825,113	\$ 892,728	\$ 965,612	\$ 330,164	\$ 4,755,144

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario C - Add Alternate Route Start Date = July 1, 2021

Table 4.7

Component Fee - Vessel Usage Fee including Add Alternate Route

Vessel Purchase Credit Applicable in Each Year including Add Alternate Route 20% of Post Purchase Vessel Fees as Scheduled using \$65,943,628 Vessel Acquisition Cost
 Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
February	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
March	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
April	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
May	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 902,610
June	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
July	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
August	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
September	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
October	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
November	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
December	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 1,096,026
Total	\$ -	\$ 128,944	\$ 1,998,637	\$ 2,320,997	\$ 2,320,997	\$ 2,320,997	\$ 2,320,997	\$ 773,666	\$ 12,185,236

Table 4.8

Fuel Volume Cap including Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Gallons
Fuel Cap		1,501,140	2,833,660	3,124,635	3,124,635	3,124,635	3,124,635	1,041,545	17,874,888

Table 4.9

Average Vessel Service Hours (AVSH) including Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Hours
Total Hours	-	32,198	51,571	53,208	53,208	53,208	53,208	17,736	314,337

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario C - Add Alternate Route Start Date = July 1, 2021

Payment Schedule excluding Add Alternate Route

Table 4.1: Scheduled Cost of Operations excluding Add Alternate Route

Scheduled Operating Payments (excludes Fuel which is a reimbursable expense) (includes risk factor adjustment of \$2,137,797)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 1,710,649	\$ 2,216,776	\$ 2,193,728	\$ 1,488,107	\$ 1,470,246	\$ 1,451,849	\$ 10,531,354
February	\$ -	\$ -	\$ 1,710,649	\$ 2,216,776	\$ 2,193,728	\$ 1,488,107	\$ 1,470,246	\$ 1,451,849	\$ 10,531,354
March	\$ -	\$ -	\$ 1,710,649	\$ 2,216,776	\$ 2,193,728	\$ 1,488,107	\$ 1,470,246	\$ 1,451,849	\$ 10,531,354
April	\$ -	\$ -	\$ 1,710,649	\$ 2,216,776	\$ 2,193,728	\$ 1,488,107	\$ 1,470,246	\$ 1,451,849	\$ 10,531,354
May	\$ -	\$ 1,710,649	\$ 2,216,776	\$ 2,193,728	\$ 1,488,107	\$ 1,470,246	\$ 1,451,849	\$ -	\$ 10,531,354
June	\$ -	\$ 1,710,649	\$ 2,216,776	\$ 2,193,728	\$ 1,488,107	\$ 1,470,246	\$ 1,451,849	\$ -	\$ 10,531,354
July	\$ -	\$ 1,710,649	\$ 2,216,776	\$ 2,193,728	\$ 1,488,107	\$ 1,470,246	\$ 1,451,849	\$ -	\$ 10,531,354
August	\$ -	\$ 1,710,649	\$ 2,216,776	\$ 2,193,728	\$ 1,488,107	\$ 1,470,246	\$ 1,451,849	\$ -	\$ 10,531,354
September	\$ -	\$ 1,710,649	\$ 2,216,776	\$ 2,193,728	\$ 1,488,107	\$ 1,470,246	\$ 1,451,849	\$ -	\$ 10,531,354
October	\$ -	\$ 1,710,649	\$ 2,216,776	\$ 2,193,728	\$ 1,488,107	\$ 1,470,246	\$ 1,451,849	\$ -	\$ 10,531,354
November	\$ -	\$ 1,710,649	\$ 2,216,776	\$ 2,193,728	\$ 1,488,107	\$ 1,470,246	\$ 1,451,849	\$ -	\$ 10,531,354
December	\$ -	\$ 1,710,649	\$ 2,216,776	\$ 2,193,728	\$ 1,488,107	\$ 1,470,246	\$ 1,451,849	\$ -	\$ 10,531,354
Total	\$ -	\$ 13,685,188	\$ 24,576,804	\$ 26,416,928	\$ 20,679,767	\$ 17,714,394	\$ 17,495,774	\$ 5,807,395	\$ 126,376,250

Table 4.2:

Management Fees excluding Add Alternate Route Management Fee earned as shown below, and except July 2016 to April 2017 is paid per Article 3.01(D)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 652,409
February	\$ -	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 652,409
March	\$ -	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 652,409
April	\$ -	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 652,409
May	\$ -	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 540,000
June	\$ -	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 540,000
July	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
August	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
September	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
October	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
November	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
December	\$ 112,409	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 652,409
Incentive*	\$ 263,496	\$ 292,409	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 90,000	\$ 1,995,905
Total	937,953	1,462,047	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	450,000	9,600,000

Asterisk (*) denotes 20% of Management Fee. Please refer to Section 3.01 D of the Agreement for Management Incentive

Table 4.3:

Start-Up Costs and Startup Milestone Payments excluding Add Alternate Route (Bell Curve Illustrated-Final Schedule to be Based on Milestone Progress)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 104,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,500
February	\$ -	\$ 214,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,000
March	\$ -	\$ 655,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 655,000
April	\$ -	\$ 540,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 540,418
May	\$ 165,000	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280,000
June	\$ 290,000	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,000
July	\$ 115,000	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,000
August	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
September	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
October	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,000
November	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
December	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
Total	\$ 1,305,000	\$ 1,858,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,163,918

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario C - Add Alternate Route Start Date = July 1, 2021

Table 4.4:

Component Fee - Homeporting Cost excluding Add Alternate Route

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
February	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
March	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
April	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
May	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
June	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
July	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
August	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
September	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
October	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
November	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
December	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
Total	\$ -	\$ 300,000	\$ 630,000	\$ 720,000	\$ 720,000	\$ 720,000	\$ 720,000	\$ 240,000	\$ 4,050,000

Table 4.5:

Component Fee - Shuttlebus Costs excluding Add Alternate Route Allowance Item; averaged over the initial Agreement term

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
February	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
March	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
April	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
May	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
June	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
July	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
August	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
September	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
October	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
November	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
December	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
Total	\$ -	\$ 730,000	\$ 1,116,900	\$ 1,150,407	\$ 1,142,709	\$ 1,125,991	\$ 1,108,770	\$ 367,658	\$ 6,742,435

Table 4.6

Component Fee - Ticketing Fee Costs excluding Add Alternate Route Fee is ridership based and by agreement may not be removed during the initial term

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
February	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
March	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
April	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
May	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
June	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
July	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
August	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
September	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
October	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
November	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
December	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
Total	\$ -	\$ 135,929	\$ 346,904	\$ 434,891	\$ 467,209	\$ 505,287	\$ 546,468	\$ 186,849	\$ 2,623,538

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario C - Add Alternate Route Start Date = July 1, 2021

Table 4.7

Component Fee - Vessel Usage Fee excluding Add Alternate Route

Vessel Purchase Credit Applicable in Each Year excluding Add Alternate Route, 20% of Post Purchase Vessel Fees as Scheduled using \$55,551,836 Vessel Acquisition Cost
 Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
February	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
March	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
April	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
May	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 741,430
June	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
July	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
August	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
September	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
October	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
November	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
December	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 902,610
Total	\$ -	\$ 96,708	\$ 1,611,804	\$ 1,934,164	\$ 1,934,164	\$ 1,934,164	\$ 1,934,164	\$ 644,721	\$ 10,089,891

Table 4.8

Fuel Volume Cap excluding Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Gallons
Fuel Cap	-	1,261,299	2,473,898	2,764,873	2,764,873	2,764,873	2,764,873	921,624	15,716,315

Table 4.9

Average Vessel Service Hours (AVSH) excluding Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Hours
Total Hours	-	27,758	43,384	43,384	43,384	43,384	43,384	14,461	259,139

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario D - No Add Alternate Route

Payment Schedule 5 Routes Only

Table 4.1: Scheduled Cost of Operations - 5 Routes Only - No Add Alternate Route

Scheduled Operating Payments (excludes Fuel which is a reimbursable expense) (Includes risk factor adjustment of \$5,533,330)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 1,864,900	\$ 2,416,666	\$ 2,391,540	\$ 1,622,292	\$ 1,602,820	\$ 1,582,764	\$ 11,480,982
February	\$ -	\$ -	\$ 1,864,900	\$ 2,416,666	\$ 2,391,540	\$ 1,622,292	\$ 1,602,820	\$ 1,582,764	\$ 11,480,982
March	\$ -	\$ -	\$ 1,864,900	\$ 2,416,666	\$ 2,391,540	\$ 1,622,292	\$ 1,602,820	\$ 1,582,764	\$ 11,480,982
April	\$ -	\$ -	\$ 1,864,900	\$ 2,416,666	\$ 2,391,540	\$ 1,622,292	\$ 1,602,820	\$ 1,582,764	\$ 11,480,982
May	\$ -	\$ 1,864,900	\$ 2,416,666	\$ 2,391,540	\$ 1,622,292	\$ 1,602,820	\$ 1,582,764	\$ -	\$ 11,480,982
June	\$ -	\$ 1,864,900	\$ 2,416,666	\$ 2,391,540	\$ 1,622,292	\$ 1,602,820	\$ 1,582,764	\$ -	\$ 11,480,982
July	\$ -	\$ 1,864,900	\$ 2,416,666	\$ 2,391,540	\$ 1,622,292	\$ 1,602,820	\$ 1,582,764	\$ -	\$ 11,480,982
August	\$ -	\$ 1,864,900	\$ 2,416,666	\$ 2,391,540	\$ 1,622,292	\$ 1,602,820	\$ 1,582,764	\$ -	\$ 11,480,982
September	\$ -	\$ 1,864,900	\$ 2,416,666	\$ 2,391,540	\$ 1,622,292	\$ 1,602,820	\$ 1,582,764	\$ -	\$ 11,480,982
October	\$ -	\$ 1,864,900	\$ 2,416,666	\$ 2,391,540	\$ 1,622,292	\$ 1,602,820	\$ 1,582,764	\$ -	\$ 11,480,982
November	\$ -	\$ 1,864,900	\$ 2,416,666	\$ 2,391,540	\$ 1,622,292	\$ 1,602,820	\$ 1,582,764	\$ -	\$ 11,480,982
December	\$ -	\$ 1,864,900	\$ 2,416,666	\$ 2,391,540	\$ 1,622,292	\$ 1,602,820	\$ 1,582,764	\$ -	\$ 11,480,982
Total	\$ -	\$ 14,919,202	\$ 26,792,931	\$ 28,798,981	\$ 22,544,492	\$ 19,311,727	\$ 19,073,393	\$ 6,331,057	\$ 137,771,783

Table 4.2:

Management Fees - 5 Routes Only - No Add Alternate Route Management Fee earned as shown below, and except July 2016 to April 2017 is paid per Article 3.01(D)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
February	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
March	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
April	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
May	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 674,457
June	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 674,457
July	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
August	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
September	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
October	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
November	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
December	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
Incentive*	\$ 263,496	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 112,409	\$ 2,399,276
Total	937,953	1,686,142	1,686,142	1,686,142	1,686,142	1,686,142	1,686,142	562,047	11,616,852

Asterisk (*) denotes 20% of Management Fee. Please refer to Section 3.01 D of the Agreement for Management Incentive

Table 4.3:

Start-Up Costs and Startup Milestone Payments - 5 Routes Only - No Add Alternate Route (Bell Curve Illustrated-Final Schedule to be Based on Milestone Progress)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 104,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,500
February	\$ -	\$ 214,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,000
March	\$ -	\$ 655,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 655,000
April	\$ -	\$ 540,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 540,418
May	\$ 165,000	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280,000
June	\$ 290,000	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,000
July	\$ 115,000	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,000
August	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
September	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
October	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,000
November	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
December	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
Total	\$ 1,305,000	\$ 1,858,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,163,918

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario D - No Add Alternate Route

Table 4.4:

Component Fee - Homeporting Cost - 5 Routes Only - No Add Alternate Route

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
February	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
March	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
April	\$ -	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 337,500
May	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
June	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
July	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
August	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
September	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
October	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
November	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
December	\$ -	\$ 37,500	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 337,500
Total	\$ -	\$ 300,000	\$ 630,000	\$ 720,000	\$ 720,000	\$ 720,000	\$ 720,000	\$ 240,000	\$ 4,050,000

Table 4.5:

Component Fee - Shuttlebus Costs - 5 Routes Only - No Add Alternate Route Allowance item; averaged over the initial Agreement term

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
February	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
March	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
April	\$ -	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,770	\$ 93,364	\$ 91,914	\$ 562,093
May	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
June	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
July	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
August	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
September	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
October	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
November	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
December	\$ -	\$ 91,250	\$ 93,988	\$ 96,807	\$ 94,435	\$ 93,364	\$ 91,914	\$ -	\$ 561,758
Total	\$ -	\$ 730,000	\$ 1,116,900	\$ 1,150,407	\$ 1,142,709	\$ 1,125,991	\$ 1,108,770	\$ 367,658	\$ 6,742,435

Table 4.6

Component Fee - Ticketing Fee Costs - 5 Routes Only - No Add Alternate Route Fee is ridership based and by agreement may not be removed during the initial term

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
February	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
March	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
April	\$ -	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ 218,628
May	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
June	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
July	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
August	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
September	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
October	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
November	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
December	\$ -	\$ 16,991	\$ 34,867	\$ 36,928	\$ 39,937	\$ 43,192	\$ 46,712	\$ -	\$ 218,628
Total	\$ -	\$ 135,929	\$ 346,904	\$ 434,891	\$ 467,209	\$ 505,287	\$ 546,468	\$ 186,849	\$ 2,623,538

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario D - No Add Alternate Route

Table 4.7

Component Fee - Vessel Usage Fee - 5 Routes Only - No Add Alternate Route

Vessel Purchase Credit Applicable in Each Year 5 Routes Only - No Add Alternate Route, 20% of Post Purchase Vessel Fees as Scheduled using \$55,551,836 Vessel Acquisition Cost
 Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
February	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
March	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
April	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 902,610
May	\$ -	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 741,430
June	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
July	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
August	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
September	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
October	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
November	\$ -	\$ -	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 805,902
December	\$ -	\$ 96,708	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ 161,180	\$ -	\$ 902,610
Total	\$ -	\$ 96,708	\$ 1,611,804	\$ 1,934,164	\$ 1,934,164	\$ 1,934,164	\$ 1,934,164	\$ 644,721	\$ 10,089,891

Table 4.8

Fuel Volume Cap - 5 Routes Only - No Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Gallons
Fuel Cap	-	1,261,299	2,473,698	2,764,873	2,764,873	2,764,873	2,764,873	921,624	15,716,315

Table 4.9

Average Vessel Service Hours (AVSH) - 5 Routes Only - No Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Hours
Total Hours	-	27,758	43,384	43,384	43,384	43,384	43,384	14,461	259,139

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario E - Add Alternate Route Start Date = May 1, 2017

Payment Schedule including Add Alternate Route

Table 4.1: Scheduled Cost of Operations including Add Alternate Route

Scheduled Operating Payments (excludes Fuel which is a reimbursable expense) (includes risk factor adjustment of -\$1,790,000)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 2,140,820	\$ 2,011,266	\$ 1,844,397	\$ 1,355,929	\$ 1,310,290	\$ 1,291,336	\$ 9,954,038
February	\$ -	\$ -	\$ 2,140,820	\$ 2,011,266	\$ 1,844,397	\$ 1,355,929	\$ 1,310,290	\$ 1,291,336	\$ 9,954,038
March	\$ -	\$ -	\$ 2,140,820	\$ 2,011,266	\$ 1,844,397	\$ 1,355,929	\$ 1,310,290	\$ 1,291,336	\$ 9,954,038
April	\$ -	\$ -	\$ 2,140,820	\$ 2,011,266	\$ 1,844,397	\$ 1,355,929	\$ 1,310,290	\$ 1,291,336	\$ 9,954,038
May	\$ -	\$ 2,140,820	\$ 2,011,266	\$ 1,844,397	\$ 1,355,929	\$ 1,310,290	\$ 1,291,336	\$ -	\$ 9,954,038
June	\$ -	\$ 2,140,820	\$ 2,011,266	\$ 1,844,397	\$ 1,355,929	\$ 1,310,290	\$ 1,291,336	\$ -	\$ 9,954,038
July	\$ -	\$ 2,140,820	\$ 2,011,266	\$ 1,844,397	\$ 1,355,929	\$ 1,310,290	\$ 1,291,336	\$ -	\$ 9,954,038
August	\$ -	\$ 2,140,820	\$ 2,011,266	\$ 1,844,397	\$ 1,355,929	\$ 1,310,290	\$ 1,291,336	\$ -	\$ 9,954,038
September	\$ -	\$ 2,140,820	\$ 2,011,266	\$ 1,844,397	\$ 1,355,929	\$ 1,310,290	\$ 1,291,336	\$ -	\$ 9,954,038
October	\$ -	\$ 2,140,820	\$ 2,011,266	\$ 1,844,397	\$ 1,355,929	\$ 1,310,290	\$ 1,291,336	\$ -	\$ 9,954,038
November	\$ -	\$ 2,140,820	\$ 2,011,266	\$ 1,844,397	\$ 1,355,929	\$ 1,310,290	\$ 1,291,336	\$ -	\$ 9,954,038
December	\$ -	\$ 2,140,820	\$ 2,011,266	\$ 1,844,397	\$ 1,355,929	\$ 1,310,290	\$ 1,291,336	\$ -	\$ 9,954,038
Total	\$ -	\$ 17,126,562	\$ 24,653,413	\$ 22,800,238	\$ 18,225,015	\$ 15,906,034	\$ 15,571,847	\$ 5,165,344	\$ 119,448,453

Table 4.2:

Management Fees including Add Alternate Route Management Fee earned as shown below, and except July 2016 to April 2017 is paid per Article 3.01(D)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
February	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
March	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
April	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 786,866
May	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 674,457
June	\$ -	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 674,457
July	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
August	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
September	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
October	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
November	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
December	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ 112,409	\$ -	\$ 786,866
Incentive*	\$ 263,496	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 337,228	\$ 112,409	\$ 2,399,276
Total	937,953	1,686,142	1,686,142	1,686,142	1,686,142	1,686,142	1,686,142	562,047	11,616,852

Asterisk (*) denotes 20% of Management Fee. Please refer to Section 3.01 D of the Agreement for Management Incentive

Table 4.3:

Start-Up Costs and Startup Milestone Payments including Add Alternate Route (Bell Curve Illustrated-Final Schedule to be Based on Milestone Progress)

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
February	\$ -	\$ 220,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,000
March	\$ -	\$ 710,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 710,000
April	\$ -	\$ 610,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 610,000
May	\$ 170,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290,000
June	\$ 295,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 415,000
July	\$ 120,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,000
August	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
September	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
October	\$ 515,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 515,000
November	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
December	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
Total	\$ 1,580,000	\$ 2,020,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,600,000

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario E - Add Alternate Route Start Date = May 1, 2017

Table 4.4:

Component Fee - Homeporting Cost including Add Alternate Route

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
February	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
March	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
April	\$ -	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 405,000
May	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
June	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
July	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
August	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
September	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
October	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
November	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
December	\$ -	\$ 48,750	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ 71,250	\$ -	\$ 405,000
Total	\$ -	\$ 390,000	\$ 765,000	\$ 855,000	\$ 855,000	\$ 855,000	\$ 855,000	\$ 285,000	\$ 4,860,000

Table 4.5:

Component Fee - Shuttlebus Costs including Add Alternate Route Allowance item; averaged over the initial Agreement term

Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
February	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
March	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
April	\$ -	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,667	\$ 141,667	\$ 141,667	\$ 839,696
May	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
June	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
July	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
August	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
September	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
October	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
November	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
December	\$ -	\$ 134,167	\$ 138,192	\$ 142,337	\$ 141,331	\$ 141,667	\$ 141,667	\$ -	\$ 839,360
Total	\$ -	\$ 1,073,333	\$ 1,642,200	\$ 1,691,466	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ 566,667	\$ 10,073,666

Table 4.6

Component Fee - Ticketing Fee Costs including Add Alternate Route Fee is ridership based and by agreement may not be removed during the initial term

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
February	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
March	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
April	\$ -	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ 396,262
May	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
June	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
July	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
August	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
September	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
October	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
November	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
December	\$ -	\$ 41,367	\$ 60,295	\$ 65,198	\$ 70,540	\$ 76,321	\$ 82,541	\$ -	\$ 396,262
Total	\$ -	\$ 330,938	\$ 647,829	\$ 762,761	\$ 825,113	\$ 892,728	\$ 965,612	\$ 330,164	\$ 4,755,144

Appendix A - Exhibit 4 - Compensation and Schedule of Payments
Scenario E - Add Alternate Route Start Date = May 1, 2017

Table 4.7

Component Fee - Vessel Usage Fee including Add Alternate Route

Vessel Purchase Credit Applicable in Each Year including Add Alternate Route 20% of Post Purchase Vessel Fees as Scheduled using \$65,943,628 Vessel Acquisition Cost
 Component fees will be reduced by the following amount(s) and schedule if the component fee is removed as outlined in the Agreement.

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Total
January	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
February	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
March	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
April	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 1,096,026
May	\$ -	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 902,610
June	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
July	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
August	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
September	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
October	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
November	\$ -	\$ -	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 967,082
December	\$ -	\$ 128,944	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ 193,416	\$ -	\$ 1,096,026
Total	\$ -	\$ 128,944	\$ 1,998,637	\$ 2,320,997	\$ 2,320,997	\$ 2,320,997	\$ 2,320,997	\$ 773,666	\$ 12,185,236

Table 4.8

Fuel Volume Cap including Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Gallons
Fuel Cap		1,501,140	2,833,660	3,124,635	3,124,635	3,124,635	3,124,635	1,041,545	17,874,888

Table 4.9

Average Vessel Service Hours (AVSH) including Add Alternate Route

	2016 Year 0	2017 Year 1	2018 Year 2	2019 Year 3	2020 Year 4	2021 Year 5	2022 Year 6	2023 Year 7	Hours
Total Hours	-	32,198	51,571	53,208	53,208	53,208	53,208	17,736	314,337

APPENDIX A – EXHIBIT 5 - ADDITIONAL FERRY SERVICES

NYCEDC may direct the Operator to undertake the following “Additional Services” at any time after the Commencement Date. NYCEDC’s activation of the Additional Services does not constitute a Service Change for purposes of this Agreement.

a. East River Route

- A description of the “East River Route” Landing Sites and the minimum headways and operating hours by season are included in Appendix A
- The East River Route requires the use of a maximum of three 149-passenger Vessels in typical peak hours, two 149-passenger Vessels in weekday off-peak hours, and up to increased capacity (*i.e.*, either by implementing reduced headways using 149- or 199-passenger Vessels or using Interim Vessels from the Operator’s fleet or third party Interim Vessels .
- NYCEDC will provide the Operator at least 30-days’ prior written notice of its demand to start East River Route. Operator must submit any proposed adjustments to the Vessel Acquisition Plan (including, as noted above, Interim Vessels) to NYCEDC for its Approval no later than ten (10) days after written notice to activate the route has been issued.
- In the event that the Corporation activates the East River Route before May 1, 2017, the parties shall agree, prior to the start of such service, to a schedule of payment for such service in writing,
- In the event that the East River Route is activated on or after May 1, 2017, Compensation will be provided to the Operator as detailed in Appendix A, Exhibit 4.

b. Governors Island

The Governors Island Landing is described in Appendix A

NYCEDC may direct the Operator to provide full or part-time service to Governors Island Landing as a stop on the South Brooklyn Route. The minimum headway for the South Brooklyn Route will not change with the addition of Governors Island.

NYCEDC will provide the Operator at least 30-days’ prior written notice of its demand to start Governors Island Route.

Service to Governors Island will be added without any increases to the Compensation.

c. Pilot Service

In order to assess the feasibility and ridership demand for newly proposed Landing Sites and/or Ferry Routes (which may include new Landing Sites or a new configuration of existing and new Landing Sites), NYCEDC may direct the Operator to implement additional, limited ferry services to said Landing Sites (“Pilot Service(s)”) provided that such Service Standards are not applicable to Pilot Service.

Any Pilot Service would require the Operator to provide the additional services for a minimum of sixty (60) days.

NYCEDC will provide the Operator at least 30-days’ prior written notice of its demand to start Pilot Service.

NYCEDC does not anticipate the Operator needing to acquire a vessel for the purpose of providing Pilot Service. All vessels used in Pilot Service must adhere to the Branding and Sponsorship requirements, although temporary treatments may be used subject to NYCEDC's prior written approval, such approval to be granted in NYCEDC's sole discretion.

The Operator may not reduce service on any existing Ferry Route in order to provide Pilot Service. In the event that a Pilot Service is activated, NYCEDC will pay the Operator the Pilot Rate as described in Section 6.04 based on the additional Vessel Service Hours required by the Pilot Ferry Service.

d. Charter Service

NYCEDC may direct the Operator to undertake additional "Charter Services" to support a specific event or itinerary. The Interim Vessel for the Charter Service can be from the Operator's fleet of Operator-controlled vessels, Bareboat Charter or Standby Charter. Interim Vessels used for Charter Service may vary in capacity.

NYCEDC will provide the Operator at least 48-hours' prior notice (via phone call or email) of its demand to start a Charter Service.

Charter Service shall not be subject to Sponsorship and Branding requirements.

If the vessel is available in the Operator's New York fleet, NYCEDC will pay the Operator the Charter Rate as described in Section 6.04 based on the Vessel Service Hours required for the Charter Service.

NYCEDC anticipates that if an Interim Vessel is not available in the Operator's New York fleet, the Operator may need to (temporarily) charter additional vessels as available in order to provide Charter Ferry Services, a Third Party Charter Vessel as further defined in Section 6.03(B)(4).

Whether Bareboat Charter or Standby Charter, the Operator shall procure three (3) bids or the maximum reasonably available in the market. If a Standby Charter, the Operator shall add 15% to the bid selected by NYCEDC. If a Bareboat Charter, NYCEDC shall pay the Operator's additional operating costs, the Bareboat Charter rate, and an additional 15% to the Operator to provide the Charter Service.

e. Emergency Service

In the event of an Emergency Declaration, NYCEDC may direct the Operator to reconfigure service immediately. In the event such reconfiguration requires the Operator to exceed the daily scheduled Vessel Service Hours, but using existing CFS Vessels, the Operator will be paid at the Pilot Service Rate hourly for each such additional Vessel Service Hour. In the event this requires a vessel not a part of the regular CFS, Operator will be paid at the Charter Service Rate.

A Shuttle Bus Rate representing the all-in costs per service hour for Operator to provide a single Shuttle Bus on any additional Shuttle Bus route(s) or to supplement existing Shuttle Bus service. The Shuttle Bus Service Rate shall be [\$150] per hour for a 28-passenger bus or such other number as the parties shall mutually agree to after due diligence.

APPENDIX A – EXHIBIT 6 - SUPPORT SERVICES PLAN

i. Ticketing System

- a. Generally. The Operator must provide a complete ticketing system – i.e. all physical and digital infrastructures related to the sale and collection of fares and the tracking and reporting of fare revenue. The Ticketing System must meet certain requirements with regard to TVMs, a digital purchase option, in-person ticket sales, and ticketing system outages, as further set forth below. Notwithstanding the foregoing, NYCEDC may elect, in its sole discretion and at any time during the term of this Agreement, to install and operate a ticketing system that complements or replaces the Operator's Ticketing System. In the event that NYCEDC elects to install and operate a ticketing system that complements or replaces the Operator's ticketing system, it is contemplated that the parties will mutually agree upon a wind-down period with respect to the Operator's ticketing operations and certain sharing of expenses in connection with such modification to the ticketing operations, including but not limited to: the cost to terminate employees or subcontractors or to terminate financial, service or maintenance contracts.
- b. Ticket Vending Machines. The Operator must provide at least two (2) outdoor-weather and graffiti-proof TVMS at each Landing and provide additional TVMs at other sites as identified in the Ticketing Plan. TVMs must accommodate a fare payment using bills, coins, and major credit and debit cards. TVM designs shall be subject to NYCEDC's prior written approval, which such approval shall be granted in NYCEDC's sole discretion. The Operator is responsible for maintaining all TVMs in a first class condition -- free of graffiti and repaired or replaced following damage of any kind, except for ordinary wear and tear.
- c. Digital Purchase Option. The Operator must provide customers with a digital purchase option that allows customers to purchase tickets through a smartphone application available on Android and iOS and/or a mobile-friendly website. The digital purchase option must utilize state-of-the-art mobile ticketing technology, including industry-standard security for digital purchases and visual validation or NFC chips. The elements of the digital purchase option shall be subject to NYCEDC's prior written approval, which such approval to be granted in NYCEDC's sole discretion.
- d. The Operator shall diligently and continuously maintain the digital infrastructure related to the digital purchase option over the Term of this Agreement, including, without limitation, regularly updating the infrastructure to make use of the state-of-the-practice software and emerging forms of payment.
- e. In-Person Ticket Sales. The Operator will provide in-person ticket sales at certain NYCEDC designated Landing Sites, allowing riders to purchase a ticket from a person using cash or major credit and debit cards.

- f. Ticket System Outages. Ticketing system outages must be immediately reported to NYCEDC and remedied by the Operator. Any alternative, “stop-gap” measures in the event of an outage shall be subject to NYCEDC’s prior written approval, which such approval shall be granted in NYCEDC’s sole discretion. In the event that a cash option to purchase tickets is unavailable at a Landing Site and a Vessel, the Operator must provide free passage to all customers riding such Vessel from such Landing Site.
- g. NYCEDC’s Right to Provide Ticketing. Upon renewal of the Term of this Agreement or at any point afterwards, NYCEDC may enter into an agreement for ticketing to be partially or fully provided by a third-party (including, without limitation, MTANYCT) other than the Operator. It is contemplated that the Operator will receive a share of revenue from said third-party ticket sales to be negotiated at in the event of a renewal. In the event of replacement, the Cost of Operations will be adjusted to remove the Ticketing Fee as further described below, and, subject to the discretion of NYCEDC, the Operator’s existing ticketing system may be shut down. In the case of a complementary form of ticketing, in which Operator’s ticketing system remains, there will be no adjustment to the Compensation. In the event that the Operator’s existing ticketing system is shut down, it is contemplated that the parties will mutually agree upon a wind-down period with respect to the Operator’s ticketing operations and certain sharing of expenses in connection with such modification to the ticketing operations, including but not limited to: the cost to terminate employees or subcontractors or to terminate financial, service or maintenance contracts.

ii. Traveler Information

- a. The Operator will format Traveler Information data using a transit industry standard including, without limitation, the General Transit Feed Specification (GTFS), General Transit Feed Specification-Real-time (GTFS-RT), and/or the Service Interface for Real-time Information (SIRI). Alternative formats may be used with Approval. The Operator will publish all Traveler Information data related to the Schedule, Routes, real-time location of Vessels and real-time arrival predictions on the Website under a “Developer Resources” or similarly named section. This data must be free for anyone to download and use, although a user verification/tracking mechanism may be implemented. NYCEDC retains the right to limit or determine which additional data to provide under this provision. The Operator will proactively ensure that the System is accurately represented on major internet-based map and journey-planning platforms including Google Maps, Bing Maps, and other services.
- b. Digital Information Displays. The Operator must provide, install, and operate digital information displays that both visually and audibly announce the real-time prediction of the next Vessel arrival. The Operator will provide at least one digital information display per Landing Site.

Digital information displays may be integrated into information kiosks or TVMs at the discretion of the Operator. Digital signage may only be used to provide the following: real-time or scheduled departure information, customer information such as the website URL, announcements affecting the service, or information concerning Emergency Declarations. No advertisements may be shown on digital information displays.

- c. Data. The Operator must make all Traveler Information available digitally through the CFS website, smartphone application, and dedicated social media accounts. All Traveler Information data and additional data generated while providing the Services will be available for unlimited and unrestricted use by NYCEDC. A subset of this data, as directed by NYCEDC in writing to the Operator, shall be published on the CFS website and free for anyone to download and use. The Operator must format traveler information data in accordance with transit industry standards, unless otherwise approved in writing by NYCEDC, which such approval shall be granted in its sole discretion. The Operator must proactively ensure that the CFS is accurately represented on major internet-based map and journey-planning platforms Google Maps and Bing Maps and as otherwise directed by NYCEDC in writing. For the avoidance of doubt, as Work Product, upon the expiration or earlier termination of this Agreement, all DIDs and Traveler Information technology become property of NYCEDC.
- d. Travel Information System Outages. The Traveler Information System must be fully functioning in all aspects and at all locations, physically and digitally during Operations. In the event that a Digital Information Display is malfunctioning, it must be repaired within three (3) days of the outage. In the event that there is a system-wide malfunction that affects multiple forms of communication, or the provision of Traveler Information in real-time to multiple end points, it must be repaired within 24 hours of the Outage. Any long-term Outages must be addressed by the Operator and alternative services shall be subject to NYCEDC's prior written approval, which such approval shall be granted in NYCEDC's sole discretion.
- e. Service Alerts: The Operator shall promptly convey service alerts to customers regarding changes to regularly scheduled service. Service alerts must be disseminated via social media accounts, the dedicated CFS website, and mobile applications.
- f. Upon NYCEDC's reimbursement of the assets associated with Support Services including, but not limited to, Ticket Vending Machines and Digital Information Displays, and any data, operating system, settlement systems or software in connection therewith (collectively, the "**Support Services Assets**"), NYCEDC may elect in writing to retain the Support Services Assets upon the expiration or earlier termination of this Agreement. At NYCEDC's written election, the Operator must assign or otherwise convey to NYCEDC all rights to access relevant data, software, operating system, and/or settlement system to control the Support Services during and after the term of this Agreement. This assignment/conveyance

option shall survive the expiration or earlier termination of this Agreement and shall be at no cost to NYCEDC.

- g. The parties will work together to update the requirements in this section to include any advances in technology.

iii. Marketing

- a. Generally. The Operator must undertake a comprehensive marketing campaign to promote the CFS. All marketing must comply with the requirements outlined below.
- b. Digital Marketing. The Operator must engage in digital marketing. Digital marketing must include the use of social media including, without limitation, Facebook, Twitter, and Instagram. Digital Marketing must also include the use of a dedicated CFS Website. The website must be compatible with at least the following browsers (as well as other comparable browsers during the Term): Chrome, Safari, and Firefox; be mobile format compatible across Android, BlackBerry, and iOS operating systems. Digital Marketing must “go-live” no later than the first RSD.
- c. Print Marketing. The Operator must engage in print marketing. In developing the print campaign, the Operator must consider audiences not typically reached by digital campaigns or other means.
- d. Sponsorship and Branding Requirements. The Operator must adhere to the Sponsorship and Branding requirements in all elements of the CFS marketing in accordance with Article 9 of this Agreement. All Sponsorship and Branding elements will be the property of NYCEDC, unless otherwise directed by NYCEDC in writing. The Operator may be required to enter into a separate license agreement for the use of certain Sponsorship and Branding elements with NYCEDC, the City, or another designated third party. Notwithstanding the foregoing, provided that the Operator complies with the requirements of this paragraph, the Operator may display paid advertising on static posters or digital screens on the interior of each Vessel and display programming and advertising, and any revenues derived therefrom shall belong to the Operator.

iv. Customer Service

- a. Generally. The Operator must provide comprehensive customer service, including responses to customers with questions, concerns, or recommendations, and proactive initiatives to disseminate travel information. Customer Service activities will conform to the requirements outlined below
- b. Outlets. The Operator shall implement several means to send and receive customer service information, including, without limitation, a call center, social media, email, website, and mobile application. The Operator will provide a system for tracking all Customer Service interactions.

- c. Public Relations. The Operator shall develop a public outreach strategy to engage with communities served, including without limitation, elected officials and other interested organizations and civic groups.
- d. Customer Survey. The Operator must conduct a bi-annual survey of both existing riders and potential riders from neighborhoods accessible to CFS. The survey must be administered throughout all Ferry Routes. The survey questions and survey protocol shall be subject to NYCEDC's prior written approval, which such approval shall be granted in its sole discretion.

V. Fare Policy

- a. Generally. NYCEDC has the exclusive right to set all fares for the Service. The Operator must implement the Base Fare, Monthly Passes, Children, Bicycle Fee, and NYCEDC Access policies enumerated below, and may not implement any additional fees, discounts, or surcharges without the prior written approval of NYCEDC, which such approval shall be granted in NYCEDC's sole discretion.
- b. Base Fare. The Base Fare for a single one-way trip on CFS is \$2.75. The Corporation shall have sole discretion in making any adjustment in the Base Fare, which is \$2.75 as of the Effective Date. NYCEDC may adjust the Base Fare a maximum of one (1) time per Calendar Year. In the event that an additional Base Fare change is proposed within a one-year period, such change shall be subject to the mutual written agreement of NYCEDC and the Operator. Notwithstanding anything herein to the contrary, the Operator shall retain the Base Fare (or discounted amount if a discount is used); provided, however, that *NYCEDC shall ensure that the Operator receives at a minimum the Base Fare of \$2.75 for each passenger notwithstanding any reductions or discounts provided to passengers for each passenger up to 4.6 million passengers*. In a circumstance where fares are increased, the marginal increase in Base Fare above \$2.75 will be owed to NYCEDC by the Operator for each trip taken at the increased fare above the first \$12,650,000, that being the amount equal to the amount which would be paid by 4.6 million full-fare passengers.
- c. Monthly Passes. The Operator shall provide monthly passes which allow for unlimited use of the CFS, priced less than or equal to forty four (44) one-way trips per month (a "Standard Monthly Pass"). In addition, the Operator shall provide a monthly pass available at a 50% discount from the Standard Monthly Pass, eligible for purchase by seniors age 65 and older and persons with disabilities.
- d. Children. The Operator must allow children under 44 inches in height to ride free of charge.
- e. Bicycle Fee. The Operator may charge passengers a fee of [\$1.00] to bring bicycles aboard. The Operator shall provide monthly pass holders the option to bring bicycles on board on an unlimited monthly basis for an additional fee not to exceed \$20 per month.

- f. Free Access. Passengers who are NYCEDC or City employees, agents, and contractors, to the extent that such passengers are supporting the CFS, will be issued a pass by the Operator that will allow them free access to the Vessels in support of their assigned duties. In addition, passengers who are Operator employees or agents will be issued a pass by the Operator that will allow them free access to the Vessels. Such passengers shall not be counted in any respect as passengers in calculating any financial obligations under this Agreement. At the written direction of NYCEDC, any such individual holding a Transportation Workers Identification Credential (“TWIC”) card shall be allowed access to secure areas on the Vessel for inspections of Vessel operations NYCEDC and the City will also each be issued up to fifteen (15) “visitor” passes allowing NYCEDC to escort individuals on tours, outreach, and informational sessions aboard the Vessel. In the event that any Vessel is near or at capacity, NYCEDC employees will only board after fare-paying riders have been provided access.

APPENDIX B - START-UP REIMBURSEMENT SCHEDULE

The Table below describes the Major Milestone and the associated cost for each line item.

Milestone ID numbers are of the form: [M]-[D]-[#] where:

- M = Month number, as measured from the effective date of contract being month 1. So, if contract is effective on March 1, 2016 and a milestone occurs on April 7, the first number of Milestone ID will be 2.
- D = day of the month on which milestone is due. So in the example above, D = 7.
- # = number of the milestone due that day (in case there are multiple due the same day). So in our case above, if the April 7 deadline only has 1 milestone, the Milestone ID is: 2-7-1

Five Routes and Add Alternate Route: Milestones and Payment Schedule

Milestone Description and Amount

Milestone ID and Due Date	Subject	Milestone Description	Payment Due at end of Month	Payment Amount
03-01-#1	Implementation and Prelaunch Milestones	Planning	3	\$50,000
04-01-#1	Ticketing	Submit physical and digital infrastructure for Approval	4	\$45,000
08-01-#1	Ticketing	Acquisition of physical and digital infrastructure	8	\$340,000
13-01-#1	Ticketing	Install physical Infrastructure and launch digital infrastructure	13	\$180,000
04-01-#2	Traveler Information	Submit informational displays (digital and static) for NYCEDC's approval	4	\$40,000
08-01-#2	Traveler Information	Acquire informational displays and data collection systems	8	\$55,000
14-01-#1	Traveler Information	Install Informational displays and launch data collection systems	14	\$265,000
04-01-#3	Marketing	Submit marketing campaign for NYCEDC's approval	4	\$90,000
13-01-#2	Marketing	Launch website	13	\$50,000
12-01-#1	Marketing	Launch marketing Campaign	12	\$100,000
14-01-#2	Customer Service	Receive all equipment necessary to fulfill customer service strategy	14	\$90,000
13-01-#3	Customer Service	Hire all staff necessary to fulfill customer service strategy	13	\$180,000
14-01-#3	Customer Service	NYCEDC approved customer survey	14	\$45,000
14-01-#4	Plans/Reporting	Dashboard Information Operational	14	\$90,000
13-01-#4	Plans/Reporting	Vessel or Interim Vessels Fully Branded and ready for Pre-launch	13	\$180,000
Total Milestone-based Payments				\$1,800,000
Total Support Payments (not milestone based)				\$1,800,000
Total Startup Payments				\$3,600,000

Payment Schedule - due upon successful delivery of the above Milestones and Support

Month #	Dates	Milestone Payments Due	Support Payments Due	Total Potential Monthly Payment
3	May-16	\$50,000	\$120,000	\$170,000
4	Jun-16	\$175,000	\$120,000	\$295,000
5	Jul-16		\$120,000	\$120,000
6	Aug-16		\$120,000	\$120,000
7	Sep-16		\$120,000	\$120,000
8	Oct-16	\$395,000	\$120,000	\$515,000
9	Nov-16		\$120,000	\$120,000
10	Dec-16		\$120,000	\$120,000
11	Jan-17		\$120,000	\$120,000
12	Feb-17	\$100,000	\$120,000	\$220,000
13	Mar-17	\$590,000	\$120,000	\$710,000
14	Apr-17	\$490,000	\$120,000	\$610,000
15	May-17		\$120,000	\$120,000
16	Jun-17		\$120,000	\$120,000
17	Jun-17		\$120,000	\$120,000
		\$1,800,000	\$1,800,000	\$3,600,000

Note 1: Milestone payments to be dispersed only upon successful completion of milestones listed in Milestone Table

Five Routes: Milestones and Payment Schedule

Milestone Description and Amount - Five Routes

Milestone ID and Due Date	Subject	Milestone Description	Payment Due at end of Month	Payment Amount
03-01-#1	Implementation and Prelaunch Milestones	Planning	3	\$50,000
04-01-#1	Ticketing	Submit physical and digital infrastructure for Approval	4	\$45,000
08-01-#1	Ticketing	Acquisition of physical and digital infrastructure	8	\$115,000
13-01-#1	Ticketing	Install physical infrastructure and launch digital infrastructure	13	\$180,000
04-01-#2	Traveler Information	Submit informational displays (digital and static) for NYCEDC's approval	4	\$40,000
08-01-#2	Traveler Information	Acquire informational displays and data collection systems	8	\$45,000
14-01-#1	Traveler Information	Install informational displays and launch data collection systems	14	\$215,000
04-01-#3	Marketing	Submit marketing campaign for NYCEDC's approval	4	\$90,000
13-01-#2	Marketing	Launch website	13	\$50,000
12-01-#1	Marketing	Launch marketing Campaign	12	\$88,500
14-01-#2	Customer Service	Receive all equipment necessary to fulfill customer service strategy	14	\$80,000
13-01-#3	Customer Service	Hire all staff necessary to fulfill customer service strategy	13	\$130,000
14-01-#3	Customer Service	NYCEDC approved customer survey	14	\$45,000
14-01-#4	Plans/Reporting	Dashboard Information Operational	14	\$85,418
13-01-#4	Plans/Reporting	Vessel or Interim Vessels Fully Branded and ready for Pre-launch	13	\$180,000
Total Milestone-based Payments				\$1,438,918
Total Support Payments (not milestone based)				\$1,725,000
Total Startup Payments				\$3,163,918

Payment Schedule - due upon successful delivery of the above Milestones and Support - 5 Routes

Month #	Dates	Milestone Payments Due	Support Payments Due	Total Potential Monthly Payment
3	May-16	\$50,000	\$ 115,000	\$165,000
4	Jun-16	\$175,000	\$115,000	\$290,000
5	Jul-16		\$115,000	\$115,000
6	Aug-16		\$115,000	\$115,000
7	Sep-16		\$115,000	\$115,000
8	Oct-16	\$160,000	\$115,000	\$275,000
9	Nov-16		\$115,000	\$115,000
10	Dec-16		\$115,000	\$115,000
11	Jan-17		\$115,000	\$115,000
12	Feb-17	\$88,500	\$115,000	\$203,500
13	Mar-17	\$540,000	\$115,000	\$655,000
14	Apr-17	\$425,418	\$115,000	\$540,418
15	May-17		\$115,000	\$115,000
16	Jun-17		\$115,000	\$115,000
17	Jun-17		\$115,000	\$115,000
		\$1,438,918	\$1,725,000	\$3,163,918

Note 1: Milestone payments to be dispersed only upon successful completion of milestones listed in Milestone Table

APPENDIX C – ASSESSMENTS AND SERVICE STANDARDS

Service Standards

It is the goal of NYCEDC to provide on-time transit service through the CFS. On-time Performance shall be measured for every trip at each Landing Site. For the purpose of tracking on-time performance, each trip will be measured at each stop on that trip's Ferry Route according to the Schedule. A "Trip" is defined as the one-way journey of a vessel from the first Landing Site to the last Landing Site on the route; a Trip includes any Landing Sites in between the first and the last ones. On-time Performance shall be measured for every Trip at each Landing Site. For the purpose of tracking on-time performance, each trip will be measured at each stop on that trip's Ferry Route according to the Schedule.

A trip shall be classified as "**On Time**" when a Vessel arrives at all scheduled Landing Sites on that trip no more than five (5) minutes after its scheduled time, and departs all scheduled Landing Sites on that trip no more than one (1) minute before its scheduled time. Exception shall be made in the event that the lateness is caused by a Force Majeure Event or a documented US Coast Guard restriction. Vessel captains have ultimate responsibility for operations and may limit operations at their sole discretion; however, the Operator and Vessel crews shall coordinate with the US Coast Guard to determine if severe weather warrants limiting operations. The US Coast Guard Captain of the Port has ultimate authority on shutting down or limiting harbor operations. All exceptions must be recorded and submitted with weekly reports according to Weekly Reporting Requirements. The Service Standard for all trips in a Calendar and/or Service Year is to be On Time as set forth in Section 3.01(D) of this Agreement, at least 90% On-Time for the Initiation Period and thereafter 94% of the time.

A trip shall be classified as a "**Completed Trip**" when Vessels arrive at all scheduled Landing Sites on that trip within the lesser of thirty (30) minutes of the scheduled arrival time and one-half the time until the next scheduled arrival on the same route. An exception shall be made in the event that the lateness is caused by a Force Majeure Event or a documented US Coast Guard restriction or severe weather, subject to coordination with the US Coast Guard as described in the preceding paragraph. Exceptions must be recorded and submitted with weekly reports according to Weekly Reporting Requirements. The Service Standard for all trips in a Calendar and/or Service Year is to have 96% Completed Trips for the initiation Period and thereafter 97% Completed Trips, as set forth in Section 3.01(D) of this Agreement.

Assessments

The Operator will be assessed the following amounts ("Assessments") for non-performance of the Services, not as a penalty, but as liquidated damages, measured quarterly as set forth in Section 3.01(D) of this Agreement. NYCEDC shall have the right to offset any Assessments owed to NYCEDC against any payments owed to the Operator pursuant to this Agreement. The following Assessments are to be imposed in lieu of adjustments made to the Management Incentive Fee (Section 3.01(D) of this Agreement) as they relate to a specific Trip.

The following assessments will be accrued as they pertain to maintenance on Vessels:

- (1) A “**Maintenance Outage**” shall occur any time passengers are required to disembark from a vessel that is underway (left the first dock of the trip) because it is being taken out of service. The assessment for a Maintenance Outage is [\$250]. Vessels taken out of service for planned or preventative maintenance shall not be considered Maintenance Outages, but may accrue adjustments to the Management Incentive Fee if the affected Trip is no longer On Time or Completed.
- (2) A “**Failed Inspection**” shall occur anytime a USCG Vessel inspection yields a written “No-Sail” deficiency. The assessment for a Failed Inspection is [\$1,000].
- (3) A “**Restroom Outage**” shall occur anytime that a restroom is out of order or inaccessible to passengers on a Vessel for more than 24 hours. The assessment for a Restroom Outage is [\$250] per Vessel per day and otherwise shall be managed as set forth in Appendix A – Exhibit 2 SMS/ISO Management System of this Agreement.

APPENDIX D – FUEL CONTRACTS

[FORM of Contracts to be provided]

[Fuel Delivery Costs shall be invoiced at no more than \$.50/per gallon adjusted by cost-of-living adjustment (COLA) or other amount approved in the reasonable discretion of NYCEDC. Notwithstanding the foregoing, Fuel Delivery Costs and Fuel Contracts must be approved in the reasonable discretion of NYCEDC.]

APPENDIX E – CORPORATE GUARANTY

[FORM of guaranty to be provided]

APPENDIX G – VESSELS

APPENDIX G – EXHIBIT 1- VESSEL ACQUISITION PLAN

To be provided

APPENDIX G – EXHIBIT 2 -VESSEL REQUIREMENTS

Vessel Requirements

The Operator shall perform the Services in accordance with the following vessel requirements, including without limitation, Chapter 7 of the New York Administrative Code *Accessible Water Bourne Commuter Services Facilities Transportation Act* (Local Law 68/2005):

i. Particulars

Passenger Capacity	All vessels (existing or to be constructed) must be certified by the US Coast Guard to carry a minimum of 149-passengers, unless otherwise approved in writing by NYCEDC, such approval to be granted in NYCEDC's sole discretion.
Boarding Type	All vessels, existing or those to be built, must have bow and side-loading capability for regular usage (i.e. not just in emergencies), unless otherwise approved in writing by NYCEDC, such approval to be granted in NYCEDC's sole discretion.
Amenities	All vessels shall have an enclosed seating area, safe from the elements and climate controlled to ensure passenger safety and comfort. The Operator shall provide NYCEDC with the vessel particulars for all vessels (existing and to be constructed) as part of the Vessel Acquisition Plan.
Bike & Stroller, oversized passenger cargo, Storage	Vessels shall have a designated area to store large objects such as bicycles or strollers. The storage area shall have capacity for at least 5 bikes and two unoccupied strollers and be clearly marked. All passengers must be able to handle their own cargo and shall accompany personal cargo at all times.
Baby Carriage/Strollers	Vessels shall have a designated area to accommodate baby carriage/strollers that are occupied by infants and toddlers. The area shall be clearly marked and provide a seating arrangement that comfortably accommodates caregivers.
Wheel Chair	Vessels shall have a means to secure wheelchair passengers. The area shall be clearly marked with signage analogous to the signage required by the MTA.
Restrooms	Restrooms are required to be operational at all times. In the event a restroom is non-operational, the Operator shall complete its current run, and then must either fix the problem or switch out the vessel(s) without impacting service. All bathrooms on to-be-constructed vessels shall meet ADA/LL68 (2005) accessibility standards.
Housekeeping	The vessels must be kept clean and sanitary. All vessels shall be kept free from stains, rips, cracks, and broken equipment, apart from ordinary wear and tear. The Operator must wash the entire vessel on a weekly basis. Vessel windows shall be washed on a daily basis. The vessel interior must be cleaned daily. The crew shall perform a

	walk-through of the entire vessel after every route run to assess and remedy cleanliness and sanitation issues, and perform random spot checks for cleanliness and sanitation issues (e.g. garbage overflow, liquid spill etc.); any such issues shall be immediately remedied.
Engine Type	<p>All Vessels shall have EPA Tier III engines for approximately 800Hp or more, unless otherwise approved in writing by NYCEDC, such approval to be granted in NYCEDC's sole discretion.</p> <p>Notwithstanding the foregoing, the Operator shall use good faith efforts to implement the best available technology for existing engines and future acquisitions. In the event a vessel will need to be repowered, the Operator will make good faith efforts to acquire and install Tier 4 or engine after treatments to achieve Tier 4 emissions requirements or comparable (if not already required by law).</p> <p>In coordination with NYCEDC, the Operator shall use good faith efforts to identify grants and alternative funding sources for CFS fleet engine upgrades.</p>
Hull type	The Operator must use a monohull or catamaran that is able to handle a variety of New York Harbor conditions. The Operator must be able to meet regularly scheduled service pursuant to the Service Plan as long as New York Harbor is open as per the USCG. In the event that the vessel hull is unable to operate in such conditions as ice and the New York Harbor is open, it will be the responsibility of the Operator to have assist vessels to break ice or escort in extreme winds to meet the Service Plan. The Operator is responsible to ensure that the vessels will have sufficient draft to operate each Ferry Route. The Operator must clean the hull a minimum of every 12 months.
Propulsion Requirements	The Operator is responsible for ensuring that the propulsion is appropriately sized to meet the Service Plan requirements. The propulsion system must permit the vessel to operate while New York Harbor is open. The Operator shall ensure that the prime mover can overcome ice and extreme wind conditions.
Fuel	The vessels shall use ultra-low sulfur diesel unless otherwise approved in writing by NYCEDC, such approval to be granted in NYCEDC's sole discretion. The Operator will use good faith efforts to identify evaluation and potentially use other low emission fuel alternatives in its vessels. In coordination with NYCEDC, the Operator will use good faith efforts to identify grant opportunities and other sources of funds for implementing the use of alternative fuels in the CFS vessel fleet.

ii. Maintenance

Physical Appearance	The Operator must ensure that vessel appearance is well maintained- i.e. the vessel must look neat and all Branding and Sponsorship kept in "like-new" condition at all times. If NYCEDC, in its sole discretion, determines that the Branding and Sponsorship are not displayed in a well maintained manner,
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	<p>NYCEDC shall notify the Operator, and the Operator shall at the Sponsor's expense immediately remove the Vessel from service and replace it with another Vessel that displays the Branding and Sponsorship in "like-new" condition. Unacceptable physical appearance of the vessel other than Branding and Sponsorship may be remedied after the vessel's service for the day is completed. The Operator has one scheduled service day to rectify any failure to comply with Branding and Sponsorship requirements and must make immediate, temporary measures to comply until fully remedied.</p> <p>Notwithstanding the foregoing, to the extent that it is determined by the Corporation, in its reasonable discretion, that an element(s) of the Branding and Sponsorship package was damaged by the Operator as a result of Operator's negligence or intentional misconduct or said package was not reasonably well maintained by the Operator, then it is the responsibility of the Operator to replace and repair the same at its sole expense within ten (10) days of the Corporation's written determination thereof. If the Corporation reasonably determines that the reason the Branding and Sponsorship elements are not being displayed in a well maintained manner is because there is a manufacturing defect or faulty installation by the Sponsor of any Branding and Sponsorship element, then NYCEDC shall repair or cause the same to be repaired at its own expense on a timeframe reasonably convenient to the Operator.</p>
Preventive Maintenance System	<p>The Operator must implement a Preventive Maintenance System ("PM System"). The PM System must be computerized and managed by the Operator's Port Engineer or other designated person as approved in writing by NYCEDC, such approval to be granted in NYCEDC's sole discretion.</p> <p>The computerized plan must: (1) track all vessel performance indicators such as machinery and auxiliary machinery hours, repairs, emergency repairs, shipyard periods, historic maintenance and repairs; (2) automatically indicate standard and/or reoccurring, future maintenance requirements (3) indicate the Operator's ability to meet preventive maintenance schedules (4) indicate future inspections (5) be auditable by NYCEDC and any applicable regulators, and (6) include deck department maintenance and any other required daily tasks. This shall be a digital, paperless system.</p>

	The system must link to the vessel's onboard digital vessel engine monitoring system so that operating hours of machinery are uploaded to Dashboard. For existing vessels, it is acceptable to have a Port Engineer oversee and be responsible for the manual input of data.
Maintenance Outage	Maintenance Outages mean issues that result in a delay or loss of service caused by a vessel's inability to perform for reasons, including but not limited to, failure or disruption of machinery, electronics, hull condition, and safety equipment. Maintenance Outages impacting service will be reported pursuant to the reporting requirements hereinafter described.
Out-of-Service Vessel	If a vessel is required to be taken out of service for emergency maintenance, the Operator shall promptly notify NYCEDC and provide an estimate of when such vessel or a substitute vessel shall return to service. Operator shall use its best efforts to have a substitute vessel in service as reasonably practicable after the removal of a vessel for emergency maintenance.

iii. Vessel Inspections & Record Keeping

Vessel Inspections – Daily	The Operator shall conduct daily safety inspections of the vessel pursuant to the SMS (as hereinafter defined).
Inspections Records	The Operator shall create and maintain electronic inspection files for each vessel and make the files accessible to NYCEDC upon written request within one business day. The files shall contain copies of the vessel design and construction plans provided as part of the Vessel Acquisition Plan, as well as copies of all the required vessel documentation and certificates, including but not limited to the following: USCG approved stability letters, Certificates of Documentation (COD's), USCG Certificates of Inspection (COI's), fire protection servicing certificates, lifesaving equipment servicing certificates, USCG Inspection deficiency reports and copies of marine casualty reports.

APPENDIX G – EXHIBIT 3 – Bill of Sale

DEPARTMENT OF HOMELAND SECURITY
U.S. Coast Guard
BILL OF SALE

OMB No: 1625-0027
Expires: 06/30/2016

1. VESSEL NAME

2. OFFICIAL NUMBER OR HULL ID
NUMBER

3. NAME(S) AND ADDRESS(ES) OF SELLERS

3A. TOTAL INTEREST OWNED (IF LESS THAN 100%): _____ %

4. NAME(S) AND ADDRESS(ES) OF BUYER(S) AND INTEREST TRANSFERRED TO EACH

4A. TOTAL INTEREST TRANSFERRED (100% UNLESS OTHERWISE SPECIFIED): _____ %

4B. MANNER OF OWNERSHIP. UNLESS OTHERWISE STATED HEREIN, THIS BILL OF SALE CREATES A TENANCY IN COMMON, WITH EACH TENANT OWNING AN EQUAL UNDIVIDED INTEREST. CHECK ONLY ONE OF THE FOLLOWING BLOCKS TO SHOW ANOTHER FORM OF OWNERSHIP.

☐ JOINT TENANCY WITH RIGHT OF SURVIVORSHIP ☐ TENANCY BY THE ENTIRETIES ☐ COMMUNITY PROPERTY
☐ OTHER (DESCRIBE)

5. CONSIDERATION RECEIVED (ONE DOLLAR AND OTHER VALUABLE CONSIDERATION UNLESS OTHERWISE STATED)

6. I (WE) DO HEREBY SELL TO THE BUYER(S) NAMED ABOVE, THE RIGHT, TITLE AND INTEREST IDENTIFIED IN BLOCK 4 OF THIS BILL OF SALE, IN THE PROPORTION SPECIFIED HEREIN.

VESSEL IS SOLD FREE AND CLEAR OF ALL LIENS, MORTGAGES, AND OTHER ENCUMBRANCES OF ANY KIND AND NATURE, EXCEPT AS STATED ON THE REVERSE HEREOF. VESSEL IS SOLD TOGETHER WITH AN EQUAL INTEREST IN THE MASTS, BOWSPRIT, SAILS, BOATS, ANCHORS, CABLES, TACKLE, FURNITURE, AND ALL OTHER NECESSARIES THERETO APPERTAINING AND BELONGING, EXCEPT AS STATED ON THE REVERSE HEREOF.

7. SIGNATURES OF SELLER(S) OR PERSON(S) SIGNING ON BEHALF OF SELLER(S).

8. DATE SIGNED

9. NAME(S) OF PERSON(S) SIGNING ABOVE, AND LEGAL CAPACITY IN WHICH SIGNED (E.G., OWNER, AGENT, TRUSTEE, EXECUTOR)

10. ACKNOWLEDGMENT (TO BE COMPLETED BY NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED BY A LAW OF A STATE OR THE UNITED STATES TO TAKE OATH.)

ON _____ THE PERSON(S) NAMED IN SECTION 9 STATE: _____
(DATE)

ABOVE ACKNOWLEDGED EXECUTION OF THE FOREGOING INSTRUMENT COUNTY: _____
IN THEIR STATED CAPACITY(IES) FOR THE PURPOSE THEREIN CONTAINED.

NOTARY PUBLIC:

MY COMMISSION EXPIRES: _____
(DATE)

VESSEL DATA

(COMPLETE THIS SECTION ONLY IF VESSEL HAS NEVER BEEN DOCUMENTED AND DOES NOT HAVE A HULL IDENTIFICATION NUMBER.)

A. BUILDER	B. BUILDER'S HULL NUMBER
C. FORMER NAME(S)	D. FORMER MOTORBOAT NUMBERS
E. FORMER ALIEN REGISTRATIONS	F. DIMENSIONS L= B= D=
G. PERSON FROM WHICH SELLER OBTAINED VESSEL	SIGNATURE OF SELLER

WARRANTIES/APPURTENANCES/LIMITATIONS/EXCEPTIONS**INSTRUCTIONS**

1. INDICATE CURRENT DOCUMENTED NAME. (IF VESSEL HAS NEVER BEEN DOCUMENTED SELLER MUST COMPLETE AND SIGN DATA SECTION ABOVE.)
2. INDICATE OFFICIAL NUMBER AWARDED TO VESSEL OR HULL IDENTIFICATION NUMBER ASSIGNED BY MANUFACTURER. (IF THE VESSEL HAS NO HULL IDENTIFICATION NUMBER AND HAS NEVER BEEN DOCUMENTED, SELLER MUST COMPLETE AND SIGN THE VESSEL DATA SECTION ABOVE.)
3. INSERT NAMES AND ADDRESSES OF ALL PERSONS SELLING VESSEL, ALONG WITH TOTAL INTEREST OWNED BY THOSE PERSONS. IF MORE ROOM IS NEEDED, AN ATTACHMENT MAY BE MADE SHOWING THE ADDRESSES OF THE SELLERS.
- 3A. SELF-EXPLANATORY.
4. INSERT NAMES AND ADDRESSES OF ALL BUYERS, ALONG WITH THE INTEREST TRANSFERRED TO EACH. IF THERE IS MORE THAN ONE BUYER AND NO DIVISION OF INTEREST IS SHOWN, THIS BILL OF SALE WILL RESULT IN EACH BUYER HOLDING AN EQUAL INTEREST. (IF MORE ROOM IS NEEDED, AN ATTACHMENT MAY BE MADE SHOWING THE ADDRESSES OF THE BUYERS.)
- 4A. SELF-EXPLANATORY.
- 4B. CHECK ONE OF THE BLOCKS TO CREATE A FORM OF OWNERSHIP OTHER THAN A TENANCY IN COMMON. IF "OTHER" IS CHECKED, THE FORM OF OWNERSHIP MUST BE DESCRIBED.
5. OPTIONAL IF THE AMOUNT PAID FOR THE VESSEL IS INSERTED, IT WILL BE NOTED ON THE VESSEL'S GENERAL INDEX.
6. SELF-EXPLANATORY. USE "REMARKS" SECTION ABOVE IF VESSEL IS NOT SOLD FREE AND CLEAR, OR TO LIST VESSEL APPURTENANCES WHICH ARE NOT SOLD WITH THE VESSEL.
7. SELF-EXPLANATORY.
8. SHOW THE DATE ON WHICH THE INSTRUMENT IS SIGNED.
9. IN ADDITION TO THE PRINTED OR TYPED NAME OF THE SIGNER, SHOW WHETHER THAT PERSON WAS ACTING AS AN OWNER, AS AN AGENT FOR AN OWNER, AS TRUSTEE, AS THE PERSONAL REPRESENTATIVE OR EXECUTOR OF AN ESTATE, OR OTHER CAPACITY WHICH ENTITLED THAT PERSON TO SIGN THE BILL OF SALE.
10. ANY ACKNOWLEDGMENT IN SUBSTANTIAL COMPLIANCE WITH THE LAW OF THE STATE WHERE TAKEN MAY BE ATTACHED TO THIS INSTRUMENT IN LIEU OF THE PREPRINTED ACKNOWLEDGMENT.

PRIVACY ACT STATEMENT

IN ACCORDANCE WITH 5 USC 552(A), THE FOLLOWING INFORMATION IS PROVIDED TO YOU WHEN SUPPLYING PERSONAL INFORMATION TO THE U.S. COAST GUARD.

1. **AUTHORITY:** SOLICITATION OF THIS INFORMATION IS AUTHORIZED BY 46 USC, CHAPTER 313 AND 46 CFR, PART 67.
2. THE **PRINCIPAL PURPOSES** FOR WHICH THIS INSTRUMENT IS TO BE USED ARE:
 - (A) TO PROVIDE A RECORD, AVAILABLE FOR PUBLIC INSPECTION AND COPYING, OF THE SALE OR OTHER CHANGE IN OWNERSHIP OF A VESSEL WHICH IS DOCUMENTED, WILL BE DOCUMENTED, OR HAS BEEN DOCUMENTED PURSUANT TO 46 USC, CHAPTER 121.
 - (B) PLACEMENT OF THIS INSTRUMENT IN A BOOK FOR EXAMINATION BY GOVERNMENTAL AUTHORITIES AND MEMBERS OF THE GENERAL PUBLIC.
3. THE **ROUTINE USE** WHICH MAY BE MADE OF THIS INFORMATION INCLUDES DEVELOPMENT OF STATISTICAL DATA CONCERNING DOCUMENTED VESSELS.
4. **DISCLOSURE** OF THE INFORMATION REQUESTED ON THIS FORM IS VOLUNTARY. HOWEVER, FAILURE TO PROVIDE THE INFORMATION COULD PRECLUDE FILING OF A BILL OF SALE AND DOCUMENTATION OF THE VESSEL NAMED HEREIN PURSUANT TO 46 USC, CHAPTER 121. MOREOVER, BILLS OF SALE WHICH ARE NOT FILED ARE NOT DEEMED TO BE VALID AGAINST ANY PERSON EXCEPT THE GRANTOR OR A PERSON HAVING ACTUAL KNOWLEDGE OF THE SALE. (46 USC 31321(A)).

AN AGENCY MAY NOT CONDUCT OR SPONSOR, AND A PERSON IS NOT REQUIRED TO RESPOND TO A COLLECTION OF INFORMATION UNLESS IT DISPLAYS A VALID OMB CONTROL NUMBER.

THE COAST GUARD ESTIMATES THAT THE AVERAGE BURDEN FOR THIS FORM IS 20 MINUTES. YOU MAY SUBMIT ANY COMMENTS CONCERNING THE ACCURACY OF THIS BURDEN ESTIMATE OR MAKE SUGGESTIONS FOR REDUCING THE BURDEN TO: U.S. COAST GUARD, NATIONAL VESSEL DOCUMENTATION CENTER, 792 T J JACKSON DRIVE, FALLING WATERS, WEST VIRGINIA 25419, OR OFFICE OF MANAGEMENT AND BUDGET, PAPERWORK REDUCTION PROJECT (1625-0027), WASHINGTON, DC 20503.

APPENDIX G – EXHIBIT 4 – Material Elements

Specific Elements that can be confirmed following an approved Vessel Plan

- Physical size of vessel (+/- 5%)-length, beam, hull depth, number of decks
- Propulsion package as specified –engine & gear- make & model, or equivalent
- Scheduled Hull thickness
- Aluminum Type
- Number of Passengers Allowed +/- 5%
- Bow and side loading gates
- ADA and Local Law 68 of 2005 Accessible WaterBorne Commuter Services Facilities Transportation Act of 2005 (LL68) with respects Bathrooms / Toilet Rooms¹
- Tank Capacities +/- 5%

¹ In the event that federal, state or local requirements are in conflict and a Vessel is in compliance with LL68 as of the date of delivery of such Vessel, NYCEDC shall not be entitled to exercise its right not to purchase such Vessel for non-compliance with this Material Element.

APPENDIX H -INSURANCE REQUIREMENTS

- (1) Marine Protection and Indemnity Insurance (including Pollution Liability) to a limit of liability in an amount no less than \$50,000,000 per occurrence.
- (2) Commercial General Liability Insurance, written on ISO Form CG 00 01 or its equivalent for insurance against claims for bodily injury and property damage in an amount not less than \$50,000,000 per occurrence/\$50,000,000 annual aggregate. The limits can be secured by a combination of General Liability and Umbrella/Excess Liability coverage.
- (3) Hull and Machinery Coverage in a form and in amounts necessary to satisfy the replacement cost of the Vessels.
- (4) Statutory Worker's Compensation and Employer's Liability Insurance, as well as United States Longshore and Harborworkers Act and Jones Act coverage.
- (5) Automobile Liability to a combined single limit per occurrence for bodily injury and property damage of not less than \$50,000,000 per occurrence. To be finally determined based on Shuttle Bus predicted ridership, size and type of Shuttle Busses.
- (6) Property Insurance in form and in amounts necessary to satisfy the full replacement cost of the installations at the Landing Sites, including, without limitation: TVMS, Information Kiosks, DIDs in an amount(s) covering the full replacement value
- (7) Terrorism Insurance. In an amount to be agreed upon by the parties.
- (8) Miscellaneous Insurance in such amounts as from time to time reasonably may be required by NYCEDC, to be carried by Operator against such other insurable hazards as at the time are commonly insured against in the case of ferry service operations.

APPENDIX I - EXECUTIVE ORDER NO. 50 (1980) SUPPLY AND SERVICE RIDER

EQUAL EMPLOYMENT OPPORTUNITY

This contract is subject to the requirements of Executive Order No. 50 (1980) as revised (“**E.O. 50**”) and the Rules and Regulations promulgated thereunder. No contract will be awarded unless and until these requirements have been complied with in their entirety. For the purposes of this Appendix D, the term “contractor” shall refer to the Operator. By signing this contract, the contractor agrees that:

- (1) it will not engage in any unlawful discrimination against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability, marital status or sexual orientation with respect to all employment decisions including, but not limited to, recruitment, hiring, upgrading, demotion, downgrading, transfer, training, rates of pay or other forms of compensation, layoff, termination, and all other terms and conditions or employment;
- (2) when it subcontracts it will not engage in any unlawful discrimination in the selection of subcontractors on the basis of the race, color, creed, national origin, sex, age, disability, marital status or sexual orientation of the owner, manager or any officer, director, agent or employee of such subcontractors.
- (3) it will state in all solicitations or advertisements for employees placed by or on behalf of the contractor that all qualified applicants will receive consideration for employment without unlawful discrimination based on race, creed, color, national origin, sex, age, disability, marital status or sexual orientation, or that it is an equal employment opportunity employer;
- (4) it will send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or memorandum of understanding, written notification of its equal employment opportunity commitments under E.O. 50 and the rules and regulations promulgated thereunder; and
- (5) it will furnish all information and reports including an Employment Report before the award of the contract which are required by E.O. 50, the rules and regulations promulgated thereunder, and orders of the Director of the Bureau of Labor Services (“**Bureau**”), and will permit access to its books, records and accounts by the Bureau for the purposes of investigation to ascertain compliance with such rules, regulations, and orders.

The contractor understands that in the event of its noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, such noncompliance shall constitute a material breach of the contract and noncompliance with E.O. 50 and the rules and regulations promulgated thereunder. After a hearing held pursuant to the rules of the Bureau, the Director may direct the imposition upon the Operator of any or all of the following sanctions:

- (i) disapproval of the contractor;

- (ii) suspension or termination of the contract;
- (iii) declaring the contractor in default; or
- (iv) in lieu of any of the foregoing sanctions, the Director may impose an employment program.

The Director of the Bureau may recommend to the contracting agency head that a Board of Responsibility be convened for purposes of declaring a contractor who has repeatedly failed to comply with E.O. 50 and the rules and regulations promulgated thereunder to be nonresponsible.

The contractor agrees to include the provisions of the foregoing paragraphs in every subcontract or purchase order in excess of \$50,000 to which it becomes a party unless exempted by E.O. 50 and the rules and regulations promulgated thereunder, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Director of the Bureau of Labor Services as a means of enforcing such provisions including sanctions for noncompliance.

The contractor further agrees that it will refrain from entering into any contract or contract modification subject to E.O. 50 and the rules and regulations promulgated thereunder with a subcontractor who is not in compliance with the requirements of E.O. 50 and the rules and regulations promulgated thereunder

Mutually agreed upon M/WBE language to be provided

[illegible]

**NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
CONTRACTOR/SUBCONTRACTOR CUMULATIVE PAYMENT VERIFICATION FORM**

MWBE? YES <input type="checkbox"/> NO <input type="checkbox"/>	PROJECT/DEVELOPMENT NAME	TYPE OF WORK	REPORT QUARTER
PRIME CONTRACTOR NAME _____ ADDRESS _____ _____ PHONE _____ FED. ID No. _____		SUBCONTRACTOR NAME _____ ADDRESS _____ _____ PHONE _____ FED. ID No. _____	
AWARD AMOUNT: \$ _____ PAYMENT-CURRENT QUARTER: \$ _____ TOTAL PAYMENT TO DATE: \$ _____			
ADDITIONAL NOTES (Use this space to explain special circumstances)			
CERTIFICATION AND NOTARIZATION I certify that the total payments above reflect the value of the work and that the work was performed solely by the Subcontractor named above, through employees of the Subcontractor who were under direct supervision of employees of the Subcontractor; that payments have been made by the Contractor and received by the Subcontractor as specified above; that there were no rebates, refunds or offsets applied to any payments unless the same is noted above; and that it is known to me to be true of my own knowledge.			
Prime Contractor's Signature Title: _____ _____ Sworn before me this _____ Day of _____, 20 _____		Subcontractor's Signature Title: _____ _____ Sworn before me this _____ Day of _____, 20 _____	
Notary Public _____		Notary Public _____	
If this affidavit is verified by an oath administered by a Notary Public in a foreign country other than Canada, it must be accompanied by certificate authenticating the authority of the Notary who administered the oath.			

7/8/2014

Signature of Authorized Representative Name & Title Date

[illegible]

APPENDIX K - MACBRIDE PRINCIPLES RIDER

(Note: for purposes of this rider, the “**contractor**” means the Operator identified in the Agreement to which this rider is annexed and the “**contracting entity**” means New York City Economic Development Corporation.)

ARTICLE I. MACBRIDE PRINCIPLES

PART A

The contractor stipulates that such contractor and any individual or legal entity in which the contractor holds a ten percent or greater ownership interest and any individual or legal entity that holds a ten percent or greater ownership interest in the contractor either (a) have no business operations in Northern Ireland, or (b) shall take lawful steps in good faith to conduct any business operations they have in Northern Ireland in accordance with the MacBride Principles, and shall permit independent monitoring of their compliance with such principles.

PART B

For purposes of this section, “**MacBride Principles**” shall mean those principles relating to nondiscrimination in employment and freedom of workplace opportunity which require employers doing business in Northern Ireland to:

- (1) increase the representation of individuals from underrepresented religious groups in the work force, including managerial, supervisory, administrative, clerical and technical jobs;
- (2) take steps to promote adequate security for the protection of employees from underrepresented religious groups both at the workplace and while traveling to and from work;
- (3) ban provocative religious or political emblems from the workplace;
- (4) publicly advertise all job openings and make special recruitment efforts to attract applicants from underrepresented religious groups;
- (5) establish layoff, recall and termination procedures which do not in practice favor a particular religious group;
- (6) abolish all job reservations, apprenticeship restrictions and different employment criteria which discriminate on the basis of religion;
- (7) develop training programs that will prepare substantial numbers of current employees from underrepresented religious groups for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade and

improve the skills of workers from underrepresented religious groups;

(8) establish procedures to assess, identify and actively recruit employees from underrepresented religious groups with potential for further advancement; and

(9) appoint a senior management staff member to oversee affirmative action efforts and develop a timetable to ensure their full implementation.

ARTICLE II. ENFORCEMENT OF ARTICLE I

The contractor agrees that the covenants and representations in Article I above are material conditions to this contract. In the event the contracting entity receives information that the contractor who made the stipulation required by this section is in violation thereof, the contracting entity shall review such information and give the contractor an opportunity to respond. If the contracting entity finds that a violation has occurred, the entity shall have the right to declare the contractor in default and/or terminate this contract for cause and procure the supplies, services or work from another source in any manner the entity deems proper. In the event of such termination, the contractor shall pay to the entity, or the entity in its sole discretion may withhold from any amounts otherwise payable to the contractor, the difference between the contract price for the uncompleted portion of this contract and the cost to the contracting entity of completing performance of this contract either itself or by engaging another contractor or contractors. In the case of a requirements contract, the contractor shall be liable for such difference in price for the entire amount of supplies required by the contracting entity for the uncompleted term of its contract. In the case of a construction contract, the contracting entity shall also have the right to hold the contractor in partial or total default in accordance with the default provisions of this contract, and/or may seek debarment or suspension of the contractor. The rights and remedies of the entity hereunder shall be in addition to, and not in lieu of, any rights and remedies the entity has pursuant to this contract or by operation of law.

APPENDIX L - HireNYC

NYCEDC recognizes the importance of creating employment opportunities for low-income persons, enabling them to participate in the City's economic growth. To this end, NYCEDC has developed the HireNYC Program. The program requires **Operator** to use good faith efforts to achieve the hiring and workforce development goals and perform the requirements of NYCEDC's HireNYC Program set forth below.

The Designated City Agency by NYCEDC will assist **Operator** in implementing the HireNYC Program including the screening of candidates from the target population ("Target Population") defined as persons who have an income that is below two hundred percent (200%) of the poverty level as determined by the New York City Center for Economic Opportunity (a description of the income level meeting this threshold for each household size is available at

http://www.nyc.gov/html/ceo/downloads/pdf/ceo_poverty_measure_2005_2013.pdf).

The HireNYC Program will be in effect for a period of eight (8) years from the commencement of the first business operations in connection with the project ("HireNYC Program Term").

HireNYC Program will apply to **Operator**, its contractors and subcontractors in connection with project during the HireNYC Program Term.

I. Goals. HireNYC Program requires the following hiring and workforce development goals (collectively, the "Goals"):

Hiring Goal:	Fifty percent (50%) of all new permanent jobs created in connection with the project (including jobs created by contractors and subcontractors) will be filled by members of the Target Population referred by the Designated City Agency for a period beginning, for each employer, at commencement of business operations in connection with the project and continuing through the end of the HireNYC Program Term. Notwithstanding the foregoing, the Hiring Goal shall only apply to hiring on occasions when Operator , its contractors and subcontractors, is hiring for five (5) or more permanent jobs.
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Retention Goal: Forty percent (40%) of all employees whose hiring satisfied the Hiring Goal will be retained for at least nine (9) months from date of hire.

Advancement Goal: Thirty percent (30%) of all employees whose hiring satisfied the Hiring Goal will be promoted to a higher paid position within one (1) year of date of hire.

Training Goal: Cooperation with NYCEDC and the Designated City Agency to provide skills-training or higher education opportunities to members of the Target Population.

II. Program Requirements. HireNYC Program includes all of the following requirements:

1. Designation of a workforce development liaison by ***Operator*** to interact with NYCEDC and the Designated City Agency during the course of the HireNYC Program.
2. ***Operator*** shall do all of the following:
 - a. use good faith efforts to achieve the Goals;
 - b. notify NYCEDC six (6) weeks prior to commencing business operations;
 - c. with respect to initial hiring for any new permanent jobs associated with the commencement of business in connection with the project (but only if initial hiring is for five (5) or more permanent jobs):
 - (i) provide NYCEDC and the Designated City Agency with the approximate number and type of jobs that will become available, and for each job type a description of the basic job qualifications, at least three (3) months before commencing hiring; and
 - (ii) consider only applicants referred by the Designated City Agency for the first ten (10) business days, until the Hiring Goal is achieved or until all open positions are filled, whichever occurs first;
 - d. with respect to ongoing hiring on occasions when hiring for five (5) or more permanent jobs:

- (i) provide NYCEDC and the Designated City Agency with the approximate number and type of jobs that will become available, and for each job type a description of the basic job qualifications, at least one (1) month before commencing hiring or as soon as information is available, but in all cases not later than one (1) week before commencing hiring; and
- (ii) consider only applicants referred by the Designated City Agency for the first five business days, until the Hiring Goal is achieved or until all open positions are filled, whichever occurs first;
- e. notify NYCEDC thirty (30) days prior to execution of any contract with a contractor or subcontractor in connection with the project;
- f. provide NYCEDC with one (1) electronic copy of all contractor and subcontractor contracts in connection with the project within fifteen (15) days of execution;
- g. submit to NYCEDC quarterly HireNYC Employment Reports in the form provided by NYCEDC;
- h. cooperate with annual site visits and, if requested by NYCEDC, employee satisfaction surveys relating to employee experience with the HireNYC Program;
- i. provide information related to the HireNYC Program and the hiring process to NYCEDC upon request; and
- j. allow information collected by NYCEDC and the Designated City Agency to be included in public communications, including press releases and other media events.

III. Intentionally Omitted

IV. General Requirements. Operator must also comply with all of the following general requirements:

1. **Operator's** HireNYC Program requirements and goals apply to **Operator**, its successors and assigns, and to all contractors and subcontractors in connection with the project during the HireNYC Program Term. **Operator** is required to incorporate the terms of the HireNYC Program into all contractor and subcontractor contracts obligating contractors and subcontractors to comply with

the Goals and other requirements of the HireNYC Program to the same extent as **Operator** is required to comply with such Goals and other requirements.

2. Enforcement. In the event NYCEDC determines that **Operator**, its contractors or subcontractors, have violated any of the HireNYC Program requirements, including, without limitation, a determination that **Operator**, its contractors or subcontractors, have failed to use good faith efforts to fulfill the Goals, NYCEDC may (1) assess liquidated damages set forth immediately below; and/or (2) assert any other right or remedy it has under NYCEDC's contract with Operator to which the HireNYC Program applies.

3. Liquidated Damages. If **Operator**, its contractors or subcontractors, do any of the following:

- (i) fail to comply with their obligations set forth in Section II(2) clauses (a)(with respect to the Hiring Goal), (c), and/or (d), and as a result the Designated City Agency was unable to refer applicants or participate in the hiring process as required by the program; or

- (ii) fail to comply with their obligations set forth in Section II(2) clauses, (f), (g), (h), (i), and/or (j) and such failure shall continue for a period of thirty (30) days after receipt of notice from NYCEDC, then, in the case of clause (i), NYCEDC may assess liquidated damages in the amount of \$2,500 for each position for which the Designated City Agency was unable to refer applicants or otherwise participate in hiring as required by the program; and in the case of clause (ii), NYCEDC may assess damages for breach of each requirement in the amount of \$1,000. In view of the difficulty of accurately ascertaining the loss which NYCEDC will suffer by reason of **Operator's** failure to comply with program requirements, the foregoing amounts are hereby fixed and agreed as the liquidated damages that NYCEDC will suffer by reason of such failure, and not as a penalty.

Operator shall be liable for and shall pay to NYCEDC all damages assessed against **Operator**, any contractor or subcontractor, in connection with the project upon receipt of demand from NYCEDC.

APPENDIX M – STAFFING PLAN

CFS Staffing Plan

Hiring Practices:

- A. The Operator will hire an appropriate number of employees to ensure quality performance at all times for all services identified in the CONTRACT. The Operator will initially review its staffing with the Corporation prior to the RSD, and periodically, or at the request of the Corporation, to address any staffing issues.
- B. The Operator will attempt to offer its employees a full workweek whenever possible. Prior to employment, the Operator will inform all employees of the possibility that less-than-full-time employment may occur during seasonal periods.
- C. The Operator will establish hiring policies that will include appropriate background reviews of applicants for employment. The Operator will not hire any person known to have an outstanding warrant for arrest and will make all efforts to secure this information prior to hiring new employees. The Operator will implement a Drug Free Policy for all employees.
- D. All vessel crews shall maintain current US Coast Guard (USCG) certifications and/or licenses. All licenses and/or certifications will be available for inspection upon request.

Staffing Practices

- A. All employees in direct contact with the general public shall wear clean, suitable clothing, with a personal nametag that identifies the individual as the Operators staff, and be appropriately groomed. Employees will project a hospitable, helpful, friendly, positive attitude, be capable of and willing to answer riders' questions, provide rider assistance, and shall meet the employment and training requirements set forth by the Operator. The Operator shall take appropriate steps to enforce these requirements.
- B. The Operator shall maintain and implement an affirmative action plan, as required by law. This plan must be available to all employees upon request.

Orientation and Training

- A. The Operator will provide employee orientation and will inform employees of regulations and requirements that affect their employment and activities.

B. The Operator will provide the required, appropriate, and applicable training to each employee, prior to job assignments and working with the public for all services in the CONTRACT. This will include hospitality training for all employees who have direct rider contact and/or who provide rider information.

C. The Operator will develop and provide training for all employees who provide and/or have informational services.

A. The Operator will provide appropriate training for all persons who provide temporary services. The training requirements will be established based on the position, nature and duration of services being provided.

B. The Operator will develop and conduct the training programs to be provided to the Corporation prior to the RSD.

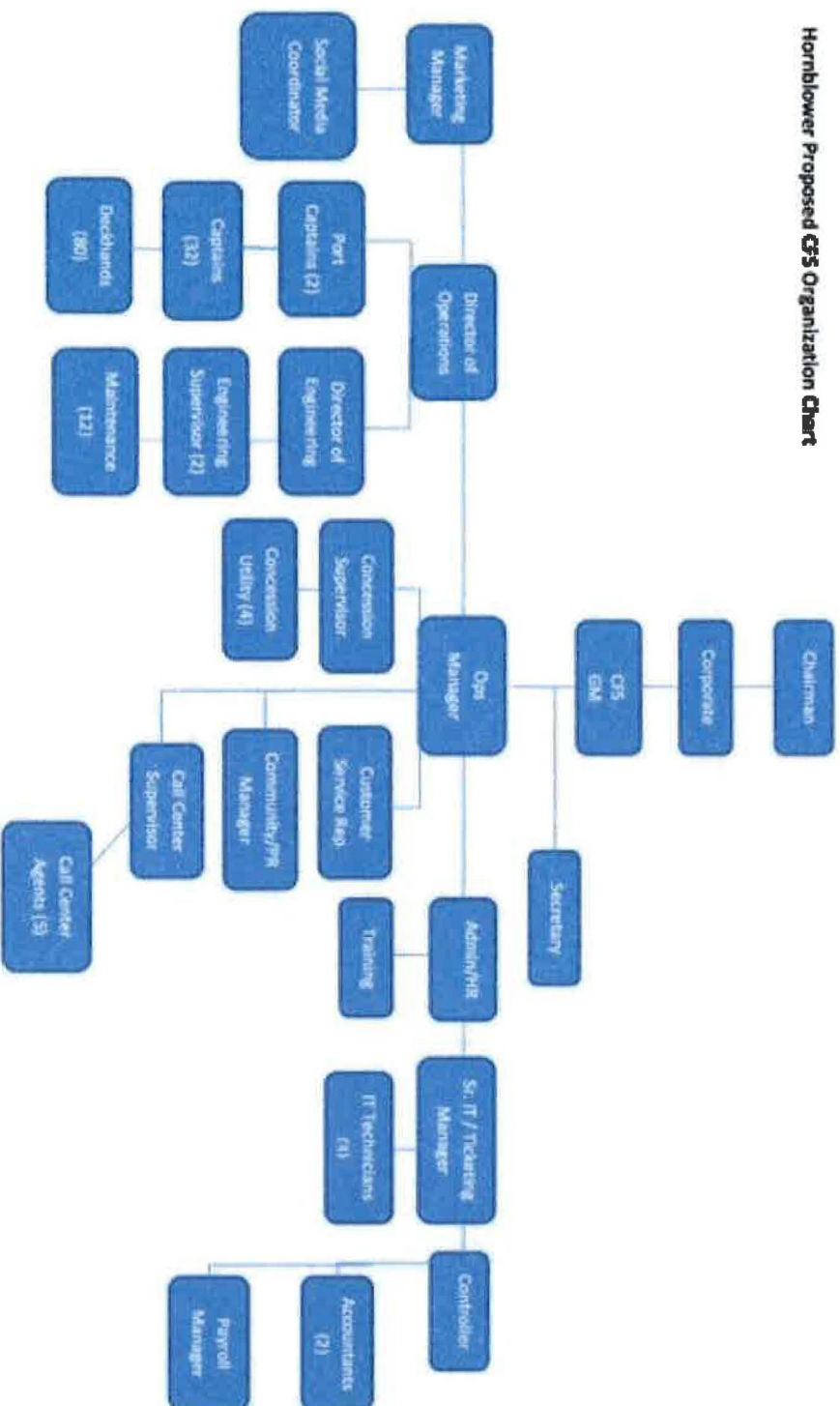
In general The Operator will:

- Employ in excess of 155 crew;
- Provide all wages above the NYC Living standard.
- Provide a comprehensive benefits package to all qualified crew:
 - o Healthcare
 - o Vision
 - o Dental
 - o Short- & Long-Term Disability
 - o Life Insurance
 - o 401(K) Plans with Employer Participation
 - o Sick Time
 - o Vacation & Personal Days
 - o Holidays
 - o Transit Checks
-

Staffing plan, organization chart, practices and training is subject to change only in writing at the approval of the Corporation in its reasonable discretion.

Hornblower Confidential and Proprietary Information. Confidential treatment requested.

Hornblower Proposed CCS Organization Chart



Hornblower Confidential and Proprietary Information Confidential treatment requested.

APPENDIX N- STANDARD OPERATING PROCEDURES PLAN

NYCEDC Approved Standard Operating Procedures Plan to be attached

The SOP Plan addresses the creation of standard operating procedures (SOP(s)) for the CFS, including deployment of the safety management system. The SOP Plan must have must have 3 distinct Milestones and set forth a contingency plan in the event of a missed Milestone(s).

Milestones in the Vessel Acquisition Plan include:

- Signed contract with third-party Safety Management Systems Auditor
- NYCEDC approved scope of work (which shall include, but is not limited to, communication protocols and timelines for informing NYCEDC of any issue, accident or inspection in connection with the CFS).
- NYCEDC approved SOPs

APPENDIX O – LIVING WAGE REQUIREMENTS

- a) During the term of this Agreement, Operator shall pay each of its Covered Employees no less than an LW, and Operator shall cause or require each other Covered Employer to pay their respective Covered Employees no less than an LW.
- b) During the term of this Agreement, Operator shall (or shall cause or require the applicable Covered Employer to) post written notices detailing the wages and benefits required to be paid to Covered Employees in conspicuous places on each vessel and each other location where Covered Employees work. Such written notices shall be posted in locations that are readily observable by Covered Employees. Such written notices shall also provide a statement advising Covered Employees that if they have been paid less than the LW they may notify NYCEDC and request an investigation. Such written notice shall be in English and Spanish.
- c) During the term of this Agreement, Operator shall not take any adverse employment action against any Covered Employee for reporting or asserting a violation of the requirements of this Appendix O, and Operator shall cause or require the other Covered Employers to not take any adverse employment action against any Covered Employee for reporting or asserting a violation of the requirements of this Appendix O.
- d) Annually, by August 1 of each year during the term of this Agreement, Operator shall deliver to NYCEDC a certification stating that all Covered Employees of Operator and of each other Covered Employer are paid no less than an LW. No later than 30 days after Operator's receipt of a written request from NYCEDC, Operator shall provide to NYCEDC (or shall cause the applicable Covered Employer to provide to NYCEDC) (i) a certification stating that all Covered Employees of Operator and of each other Covered Employer are paid no less than an LW, (ii) a written list of all Covered Employers, (iii) certified payroll records or other backup documentation regarding the payment of no less than an LW to Covered Employees, and/or (iv) any other documents or information reasonably related to the determination of whether Operator or any Covered Employer is in compliance with the requirements of this Appendix O.
- e) If a violation of the requirements of this Appendix O occurs, Operator shall cure (or shall cause or require the applicable Covered Employer to cure) the violation within thirty (30) days after the occurrence of such violation (i) by paying (or by causing or requiring the applicable Covered Employer to pay) the Owed Monies and Owed Interest in respect of such violation to the applicable Covered Employee, or (ii) in the case of a non-monetary violation, by curing (or by causing or requiring the applicable Covered Employer to cure) such non-monetary violation. The failure to cure a violation of this Appendix O in accordance with this paragraph

shall give rise to NYCEDC's right to terminate this Agreement in accordance with Article 4.

- f) The following initially capitalized terms shall have the respective meanings specified below for purposes of this Agreement.

"Affiliate" means, with respect to a given Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by, or is under common Control with such given Person.

"Control" or **"Controls"**, including the related terms **"Controlled by"** and **"under common Control with"**, means the power to direct the management and policies of a Person (a) through the ownership, directly or indirectly, of not less than a majority of its voting equity, (b) through the right to designate or elect not less than a majority of the members of its board of directors, board of managers, board of trustees or other governing body, or (c) by contract or otherwise.

"Covered Affiliates" means, collectively, all Affiliates of Operator that provide or perform any portion of the Services.

"Covered Employee" means, with respect to any Covered Employer, any natural person who personally provides or performs any portion of the Services and who is employed by, or contracted or subcontracted to work for, such Covered Employer, including all employees, independent contractors, contingent workers or contracted workers (including persons made available to work through the services of a temporary services, staffing or employment agency or similar entity) that are performing work on a full-time, part-time, temporary or seasonal basis.

"Covered Employer" means any of the following Persons: (a) Operator, (b) a Covered Affiliate, and (c) a Person that contracts or subcontracts with any other Covered Employer to provide or perform any portion of the Services for a period of more than thirty (30) days, including temporary services or staffing agencies, food service contractors, and other on-site service contractors.

"LW" has the same meaning as the term "living wage" as defined in Section 6-134(b)(9) of the New York City Administrative Code and shall be adjusted annually in accordance therewith, except that as of April 1, 2015, the "living wage rate" component of the LW shall be eleven dollars and sixty-five cents per hour (\$11.65/hour) and the "health benefits supplement rate" component of the LW shall be one dollar and sixty-five cents per hour (\$1.65/hour). The annual adjustments to the "living wage rate" and "health benefits supplement rate" will be announced on or around January 1 of each

year by the City's Department of Consumer Affairs and will go into effect on April 1 of such year.

"Owed Interest" means the interest accruing on Owed Monies, which interest shall accrue from the relevant date(s) of underpayment to the date that the Owed Monies are paid, at a rate equal to sixteen percent (16%) per annum.

"Owed Monies" means the total deficiency of LW required to be paid under this Appendix O to the applicable Covered Employee, after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW) and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW) to such direct Covered Employee(s), all as calculated on a per pay period basis.

"Person" means any natural person, sole proprietorship, partnership, association, joint venture, limited liability company, corporation, governmental authority, governmental agency, governmental instrumentality or any form of doing business.

APPENDIX P – DOING BUSINESS DATA FORM

The Operator shall complete and submit a Doing Business Data Form which can be found at www.nycedc.com in the following section:

“Resource/Vendor Resources”

If the Operator cannot access or download these forms, the Corporation may, upon request, send the Operator the required forms. The text of said section provides as follows:

Doing Business Accountability Project Forms

Local Law 34 of 2007 (LL 34) requires the creation of a database containing information about entities that do business with the City as defined by the law, and principal officers, owners and senior managers of these entities. This information will be collected on Doing Business Data Forms that are distributed, collected and reviewed by agencies, and forwarded to the Doing Business Accountability Project (DBAP) at MOCS for processing. Collected data will be used to identify entities and people who are subject to LL 34’s limitations on campaign contributions in municipal elections.

If you have any questions or concerns, please contact the Doing Business Accountability Project at 212-788-8104 or [DoingBusiness@\[REDACTED\]](mailto:DoingBusiness@[REDACTED]).

[Doing Business Form](#)

[Doing Business Form-Real Property](#)

[Q&A General](#)

[Q&A Real Property](#)